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APPENDICES

TO THE

SEVENTIETH VOLUME

OF THE

JOURNALS OF THE HOUSE OF COMMONS

DOMINION OF CANADA

SESSION 1932

PRINTED BY ORDER OF PARLIAMENT

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1932

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LIST OF APPENDICES—SESSION 1932

No. 1.—Special Committee appointed to enquire into certain charges and allegations made by the Honourable George N. Gordon, K.C., as reported in *The Globe* newspaper of Toronto, reflecting upon the Right Honourable R. B. Bennett, Prime Minister of Canada: The Committee with its Second Report also presented a copy of its proceedings and the evidence taken, together with the exhibits that were filed in the course of the investigation. *Not printed.* *See* Journals at pages 157-158.

No. 2.—Special Committee on Radio Broadcasting: Reports its investigation upon the most satisfactory agency for carrying out a scheme of radio broadcasting for Canada, so designed as to ensure from Canadian sources as complete and satisfactory a service as the present development of radio science will permit. The Committee in its Second and Final Report makes five specific recommendations. It further recommends that the Commission to be appointed be vested with the necessary powers to carry on the business of broadcasting in the Dominion of Canada; such powers to extend to matters which are set forth in the report. The Committee with its final report also presented a copy of its proceedings and the evidence taken, for the information of the House. *Not printed.* *See* Journals at pages 414-416, 429, also at pages 417-418 for Correspondence from the Canadian Legation at Washington, relating thereto.

No. 3.—Special Committee on Civil Service and the Civil Service Act: Reports its enquiry upon the appointments to, and the control and the direction of, the Civil Service of Canada, and, generally, the administration and operation of the Civil Service Act, with instructions concerning the repeal or amendment of any of the provisions of said Act or the substitution therefor or addition thereto of other provisions. The Committee in its Second Report makes ten specific recommendations affecting the present provisions of the Act; recommendations affecting certain Regulations under the Act; recommendation that there be added to the Committees of this House a Select Special Committee on Civil Service matters, such to consist of seven members; recommendation that the present Civil Service Commissioners be retired with a gratuity; recommendation that a Committee be appointed at an early date to consider certain provisions of the Superannuation Act; recommendations affecting the Organization Branch, the Secretary of the Commission, also respecting certain positions on the House of Commons staff that can best be filled from sessional employees; recommendation to facilitate the adjustment of complaints of a Civil servant, also to obviate unnecessary delays in obtaining appointments and promotions; recommendation that all papers, documents, *et cetera* placed on the files of the Commission be consecutively numbered; and also, a recommendation that Order-in-Council P.C. 1053 of 1922, as amended by P.C 17/1751 of 1929, be further amended respecting Postmasters. The Committee also recom-

mends that its proceedings, the evidence taken and a list of the exhibits filed, be printed as an appendix to the Journals; and also, that 500 copies in English and 200 copies in French be printed in Blue-book form, *Printed. See* Journals at pages 423-427, 436-437.

No. 4.—Select Standing Committee on Privileges and Elections: Reports its consideration upon the Resolution thereto referred by the House on the 11th day of February, 1932, relating to election funds and the drafting of amendments to the Elections Act as may be considered necessary. The Committee in its final report states that at several meetings it considered the subject-matter of the resolution and other matters closely related thereto such as compulsory voting; that it had set up a sub-committee to consider such related matters, which was unable to come to any concrete conclusions, and therefore recommend that further consideration be deferred to the next session of Parliament. The Committee further recommends that the report of the sub-committee above referred to, as well as the amendments to the Elections Act proposed by the sponsor of the resolution, copy of which is appended to the report, be filed and be referred to this Committee or such Special Committee as may be appointed therefor, at the next session of Parliament, to consider and, if deemed advisable make a general revision of the Elections Act. *Not printed. See* Journals at pages 439-440.

No. 5.—Special Committee on Bill No. 41, An Act to amend the Bankruptcy Act: The Committee in its Third Report points out the consideration given to the principal changes introduced by the Bill relating to the appointment of a superintendent of bankruptcy and the licensing of trustees, the expense to be borne by an assessment on the gross assets of bankrupt estates; and also, with regard to the exclusion of Quebec farmers from the operations of the Act. With its report the Committee also presented a copy of its proceedings and the evidence taken for the information of the House. *Not printed. See* Journals at page 440.

No. 6.—Select Standing Committee on Banking and Commerce: Reports its investigation respecting the price of gasolene to the Canadian consumer. The Committee in its Fourth Report gives details of the extent of the investigation concerning the operations of the Imperial Oil, Limited, the McColl-Frontenac Oil Company, Limited, the British American Oil Company, Limited, the Shell Oil of Canada and the Easterest Oil Company, Limited. Conclusions of the George A. Touche and Company Auditors' report are also therein set out. In the opinion of the Committee, as reported, the price charged is not unreasonably high, and also, that the public interest would not be further served by a continuation of the enquiry. With the report, the Committee also presented a copy of the printed proceedings and the evidence taken. *Not printed. See* Journals at pages 456-458, 505, 513-514.

No. 7.—Select Standing Committee on Agriculture and Colonization: Reports its investigation on grain standards for the crop-year of 1931-32 relating to Garnet wheat. The Committee in its Fourth Report recommends that the Canada Grain Act be amended to make operative for the crop-year of 1933-34 the recommendation of the Western Grain Standards Board relating to the grading of Garnet wheat as contained in the annual report of the Board of Grain Commissioners for the year 1931; a proviso follows relating to the crop-year of 1933-34. The Committee also recommends that 1,000

copies of its report and the evidence taken be printed in Blue-book form for distribution to growers of Garnet wheat. Motion to concur not proposed. *Not printed.* *See* Journals at page 470.

No. 8.—Select Standing Committee on Railways and Shipping: Reports its consideration upon the accounts and the estimates of the Canadian National Railways, the Canadian Government Merchant Marine, the Canadian National (West Indies) Steamships, Limited and the various Bills relating thereto. The Committee in its Seventh and Final Report gives details of the consideration given to all matters referred thereto, and also, upon the conclusions to which it arrived. Certain recommendations are also set forth in the report relating to the operations of the various national concerns. The Committee also recommends that its proceedings and the evidence taken be printed as an appendix to the Journals, and that 500 copies in English and 200 copies in French be printed in Blue-book form. *Printed.* *See* Journals at pages 473-480, 482.

PROCEEDINGS

OF

SELECT SPECIAL COMMITTEE

OF THE

HOUSE OF COMMONS

ON

CIVIL SERVICE AND CIVIL SERVICE ACT

March 15, 1932, to May 10, 1932

THIRD SESSION OF THE SEVENTEENTH PARLIAMENT OF CANADA

PRINTED BY ORDER OF PARLIAMENT

OTTAWA
F. A. ACLAND
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1932

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MEMBERS OF THE COMMITTEE

Mr. J. EARL LAWSON, *Chairman.*

Mr. J. L. Bowman,
Mr. E. R. E. Chevrier,
Mr. W. G. Ernst,
Mr. G. P. Laurin,
Mr. John Vallance,
Mr. J. S. Woodsworth.

T. L. McEVOY,
Clerk of the Committee.

49322—1½

ORDERS OF REFERENCE

THURSDAY, February 25, 1932.

Resolved,—That the appointments to, and the control and direction of, the Civil Service of Canada, and, generally, the administration and operation of the Civil Service Act, be referred to a Special Committee consisting of seven members of this House to be appointed hereafter, with instructions to inquire into and report concerning the repeal or amendment of any of the provisions of said Act or the substitution therefor or addition thereto of other provisions, as the Committee may deem advisable, with power to send for persons, papers and records and to report from time to time.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

TUESDAY, March 1, 1932.

Ordered,—That the following Members do compose the said Committee, viz: Messrs. Lawson, Bowman, Laurin, Ernst, Chevrier, Vallance and Woodsworth.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

THURSDAY, March 3, 1932.

Ordered,—That the said Committee be given leave to print 500 copies in English and 200 copies in French of the proceedings and of the evidence to be taken before the said Committee and of papers and records to be incorporated with such evidence and that Standing Order 64 be suspended in relation thereto.

That the said Committee be given leave to sit while the House is sitting.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

TUESDAY, March 15, 1932.

Ordered,—That the name of Mr. MacInnis be substituted for that of Mr. Woodsworth on the said Committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

REPORTS TO THE HOUSE OF COMMONS

FIRST REPORT

THURSDAY, March 3, 1932.

The Select Special Committee appointed to consider and report upon appointments to and the control and direction of the Civil Service of Canada and, generally, the administration of the Civil Service Act begs to present the following as a First Report:—

Your Committee recommends that 500 copies in English and 200 copies in French of the proceedings and of the evidence to be taken before the Committee and of papers and records to be incorporated with such evidence be printed; and that Standing Order 64 be suspended in relation thereto.

Your Committee further recommends that it be granted leave to sit while the House is sitting.

All of which is respectfully submitted.

J. EARL LAWSON,
Chairman.

(*For concurrence, See Journals, March 3, p. 106.*)

SECOND REPORT

TUESDAY, May 10, 1932.

The Select Special Committee appointed to inquire into the appointments to, and the direction and control of, the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, with instructions to inquire into and report concerning the repeal or amendment of any of the provisions of the said Act or the substitution therefor or addition thereto of other provisions, as the Committee may deem advisable, begs leave to present the following as a Second Report:—

1. With a view to providing that a transfer may be made of a civil servant from one position to another without necessarily involving an increase in remuneration, your Committee recommends that section 13 of the Civil Service Act be amended by striking out the word "either" in the sixth line thereof and the words "transfer or" in the sixth and seventh lines thereof.

2. In order to have the provisions of the Civil Service Act comply with the practice which has been established, and with a view to obviating unnecessary correspondence passing between the Civil Service Commission and the departments in respect of promotions, your Committee recommends that subsections one and two of section 14 of the Act be repealed and the following substituted therefor:—

> "14. The rate of compensation of an employee who has not reached the maximum rate of compensation of the class in which he is serving, may, subject to the regulations of the commission, be increased by the deputy head if he is satisfied that the employee has rendered meritorious service and has increased his usefulness in the service. Such increase shall be to the next higher rate for the class. The new rate shall become effectual at the next quarterly date after the said increase is granted by the deputy head, that is to say, either the first day of January, April, July, or October, provided, however, that no employee whose rate of compensation exceeds six hundred dollars per annum shall receive an increase under the provisions of this section more than once in each year."

3. To correct an obvious error, your Committee recommends that subsection two of section 15 of the Civil Service Act be amended by striking out the word "minimum" in the eighth line of the said subsection and by substituting therefor the word "maximum."

4. To avoid uncertainty as to the interpretation of the words "*bona fide* residents" in subsection three of section 21 of the Civil Service Act, your Committee recommends that the said section be amended by striking out the words "*bona fide* residents of such locality" at the end of the said subsection and by substituting therefor the words:—

> "persons who have resided in such locality for a period of at least one year immediately preceding the date last set for receiving applications for such local positions."

5. The Department of Justice having ruled that section 24 of the Civil Service Act permits the deputy head of a department to reject an appointee of the Civil Service Commission without reason stated therefor, and without trial, your Committee recommends that the deputy head of a department have power to reject only for cause, and that such cause be specifically stated.

6. That the provisions of the Civil Service Act as to length of residence in Canada required for eligibility for appointment may accord with the provisions of the Naturalization Act, your Committee recommends that subsection one of section 33 of the Civil Service Act be amended by striking out the word "three" in the last line of the said subsection and by substituting therefor the word "five."

7. To enable those who have been in the Civil Service for less than one year to have limited holidays and to make reasonable provision for holidays for those in the Service in tropical countries, your Committee recommends that subsection one of section 46 of the Civil Service Act be amended by adding thereto the following words:—

> "and may grant to each officer, clerk, or other employee who has been less than one year in the service, leave of absence at the rate of one and one-half days for each completed month of continuous service prior to the commencement of the fiscal year; provided that trade commissioners or other officers in tropical countries may be granted a yearly leave of absence for a period not exceeding one calendar month in any one fiscal year, if they have had at least one year in the service."

8. To permit of suspension of an employee, for the purposes set out in section 51 of the Civil Service Act, by his superior officer at distances from Ottawa, your Committee recommends that section 51 be amended by adding after the words "deputy head," in the second line of the said section, the words: "or any official of the department nominated by him."

9. Your Committee recommends that section 60 of the Civil Service Act, as enacted by Chapter 38 of the Statutes 19-20 George V, be repealed.

10. In order that vacancies created by retirement may be promptly filled, thus promoting greater efficiency in the Civil Service, your Committee recommends that, when financial conditions in Canada are sufficiently improved, the Civil Service Commission amend the regulations under the Civil Service Act so as to provide for the granting of a gratuity upon retirement equal to the sum now paid out and in lieu of absence with pay.

11. In order to reduce to a minimum over-manning and over-lapping in the Service, and in an endeavour to assure permanency of employment to civil servants, your Committee recommends that the Civil Service Commission carefully scrutinize all requests for appointments in an effort to absorb surplus personnel by transfer, or, by any other means in its power, to obviate the necessity of filling vacancies with new personnel and to accomplish by their abolition a reduction of existing positions which are not essential.

12. To promote economy and efficiency in engineering and mapping services, or in other services which can be centralized, your Committee recommends to the Civil Service Commission that a careful study be made of such government services with a view to amalgamations thereof.

13. It appears from a cursory examination of "The Classification of the Civil Service of Canada" that anomalies therein exist.

Your Committee recommends, therefore, to the Civil Service Commission that a more constant and efficient check on classification be made.

14. Your Committee recommends to the Civil Service Commission that ways and means be sought to bring about greater co-operation between the Organization Branch of the Civil Service Commission and departmental officials with a view to obtaining necessary reorganization and equalized classification.

In the opinion of your Committee very little has been accomplished by this branch of the Commission which, if strengthened in personnel, would perform a very necessary and useful function in promoting efficiency and economy.

15. Representations having been made on behalf of female civil servants, your Committee is of opinion that there being no discrimination as to sex in the provisions of the Civil Service Act, no amendment thereto in this connection is necessary.

Your Committee recommends, however, that the Department of Health, in conjunction with the Organization Branch of the Civil Service Commission, should make a survey for the purpose or recommending improvements, where necessary, in the sanitation and welfare facilities in government offices.

16. Your Committee recommends that the Civil Service Commission amend its regulations so as to provide that as between those entitled to the disability preference under the Act, and other things being equal, a veteran with dependents be given the preference over a veteran without dependents, and likewise a veteran with dependents over a veteran without dependents, as between those entitled to the overseas active service preference.

17. It appears from the evidence adduced before the Committee that certain positions on the staff of the House of Commons cannot be satisfactorily filled by open competition.

Your Committee recommends that the Civil Service Commission exercise the powers conferred upon it under section 59 of the Civil Service Act, so that such positions on that staff as can best be filled from sessional employees shall be filled by competition limited to such employees.

18. Your Committee is of opinion that there is a great deal of overlapping in the performance of duties by the heads of different branches of the Civil Service Commission, owing to matters receiving the attention of the secretary of the Commission which are in no way related to secretarial duties.

Your Committee, therefore, recommends that the secretary of the Civil Service Commission be called upon to perform only those duties which are peculiarly those of a secretary and that the Civil Service Commission consider ways and means of eliminating duplication of correspondence and departmental memoranda which now pass through the secretary to the commissioners.

19. Your Committee is of opinion that there are unnecessary delays in obtaining appointments and promotions by reason of the cumbersome routine now prevalent in the administration of the Act and recommends

that the Civil Service Commission exercise the powers now vested in it to simplify such procedure.

Your Committee further recommends that all papers, documents, et cetera, placed on the files of the commission be consecutively numbered in each file, so that removals or deletions therefrom will be apparent.

20. With a view to promoting efficiency in the administration of the provisions of the Civil Service Act and in the direction and control of the Civil Service, your Committee recommends that there be added to the committees of this House a select special committee on civil service matters, such committee to consist of seven members.

21. To facilitate the adjustment of complaints of a civil servant, where such complaints cannot otherwise be adjusted, your Committee recommends that such complaints be adjudicated by a board consisting of a nominee of the civil servant organization of which the complainant is a member, a nominee of the deputy head of the department affected, and a nominee of the chairman of the Civil Service Commission.

22. Inasmuch as it is apparent from the evidence adduced before your Committee that there are grave anomalies in respect of long term temporary and prevailing rate employees, your Committee recommends that the claims of these employees be further investigated by the Civil Service Commission with a view to reporting and submitting the question to the proposed select special committee of the House of Commons on civil service matters.

23. Representations having been made to your Committee concerning amendments to the Civil Service Superannuation Act, with respect to the extension of time for election and the return of contributions, and it being doubtful if the subject is within the scope of the present order of reference, your Committee recommends that a committee be appointed at an early date to consider the matter and that, in the meantime, the advisory committee on the Civil Service Superannuation Act should consolidate its recommendations and present a report on the subject to such committee of this House.

24. Representations were made to your Committee on behalf of the Professional Institute of the Civil Service of Canada. It would appear that the subject matter of some of these representations has been considered by the Beatty commission. They are *sub judice*. Your Committee does not, therefore, see fit to make any recommendation relative thereto.

25. From the evidence adduced and in view of the submissions of officials of the Post Office Department, your Committee recommends that Order in Council P.C. 1053, dated June 29, 1922, as amended by Order in Council P.C. 17/1751, dated September 12, 1929, be further amended so as to provide for the exemption from the operation of the Civil Service Act of postmasters in revenue post offices where the revenue does not exceed $3,000 per annum.

Your Committee further recommends that such amendments be made to the Civil Service Act and/or the regulations thereunder of the Civil Service Commission so that postmasters hereafter appointed to revenue post offices having a revenue in excess of $3,000 per annum shall be within the full operation of the Civil Service Act.

26. Your Committee, being of opinion that the position of commissioner of the Civil Service Commission of Canada calls for very special qualifications, because of th ewide powers conferred on such commissioner

for the maintenance of the merit system in matters of appointments to and promotions in the Civil Service of Canada, recommends,—

I. That the present chairman of the Civil Service Commission, who has now passed the age of seventy years, be retired; that, because of his long and meritorious years of service in the public service of Canada and as chairman of the Civil Service Commission of Canada, he be granted a gratuity;

II. That Commissioner J. Emile Tremblay be retired; that, because of his twenty-two years of service in the public service of Canada, he be granted a gratuity;

III. That Commissioner Newton MacTavish be retired and, in lieu of notice, be granted a gratuity.

27. Your Committee desires to record that it has been impressed with the ability and integrity of Mr. C. H. Bland, assistant secretary and chief examiner of the Civil Service Commission. He has shown a comprehensive grasp of the principles underlying the merit system and the Civil Service Act and of the details connected with the administration thereof.

28. Your Committee held thirty-nine meetings and heard thirty-five witnesses, including deputy heads of departments, officials of the Civil Service Commission and representatives of civil servant organizations. A copy of the minutes of proceedings and evidence is tabled herewith.

29. Your Committee recommends that the orders of reference, reports, proceedings and evidence taken, together with a list of the exhibits filed, be printed both as an appendix to the Journals of the House and in blue book form, 500 copies of the latter form to be printed in the English language and 200 copies in the French language; and that standing order 64 be suspended in relation thereto.

All of which is respectfully submitted.

J. EARL LAWSON,
Chairman.

(Report presented, See Journals, p. 423; concurrence moved, amendment negatived, Journals, p. 436; concurred in, Journals, p. 437; See 22-23 Geo. V., c. 40.)

LIST OF WITNESSES

Archibald, E. S., Sc. D., Ottawa, President, Professional Institute of the Civil Service of Canada;

Beauchesne, Arthur, K.C., LL.D., Litt. D., F.R.S.C., Ottawa, Clerk of the House of Commons, Canada;

Black, The Honourable George, K.C., M.P. (*Yukon*);

Bland, Charles H., Ottawa, Assistant Secretary and Chief Examiner, Civil Service Commission of Canada;

Burns, T. H., Ottawa, President, Dominion Customs & Excise Officers' Association;

Camsell, Charles, LL.D., F.R.S.C., Ottawa, Deputy Minister, Department of Mines;

Coolican, P. T., Ottawa, Assistant Deputy Postmaster General of Canada;

Daley, Stanley J., Supervisor, English Clerical Section, Examination Branch, Civil Service Commission of Canada;

Dennehy, Gerald, Winnipeg, President, Dominion Railway Mail Clerks' Federation;

Desbarats, G. J., C.M.G., Ottawa, Deputy Minister, Department of National Defence;

Duncan, W. N. Toronto, National Secretary, United Postal Employees of Canada;

Foran, Wm., Ottawa, Secretary, Civil Service Commission of Canada;

Gaboury, L. J., Ottawa, Deputy Postmaster General of Canada;

Gonthier, Georges, L.I.A., C.A., Ottawa, Auditor General of Canada;

Griffith, C. D., Estevan, Sask., Secretary-Treasurer, Canadian Postmasters' Association;

Herwig, J. C. G., Ottawa, Dominion Headquarters Service Bureau, Canadian Legion of the British Empire Service League;

Inglis, Miss Edna L., Ottawa, 2nd Vice President, Civil Service Association of Ottawa;

Kemmis, A. C., Ottawa, Examiner, Civil Service Commission of Canada;

Knowles, Fred., Ottawa, National Secretary-Treasurer, Amalgamated Civil Servants of Canada;

Lawson, Vernon L., Ottawa, President, Civil Service Association of Ottawa;

MacGillivray, C. S., Ottawa, Chief Canning Inspector, Fruit Branch, Department of Agriculture;

MacTavish, Newton, Litt. D., Ottawa, Commissioner, Civil Service Commission of Canada;

Morgan, R., Ottawa, Examiner, Civil Service Commission of Canada;

Otter, Miss Jennie, Ottawa, Acting Secretary to Commissioner MacTavish;

Phelan, V. C., Ottawa, President, Civil Service Federation of Canada;

Price, K. A., Moosomin, Sask., Dominion President, Canadian Postmasters' Association;

Putman, Clarence V., Ottawa, Chief, Organization Branch, Civil Service Commission of Canada;

Reaves, J. J., Toronto, National Secretary, Federated Association of Letter Carriers of Canada;

Roche, Hon. W. J., M.D., Ottawa, Chairman, Civil Service Commission of Canada;

Saunders, Miss Elsie E., Ottawa, Supervisor, Personal Services, Civil Service Commission of Canada;

Topp, Lt. Col., C.B., D.S.O., M.C., A.D.C., Ottawa, Chief Pensions Advocate, Veterans' Bureau, Department of Pensions;

Tory, H. M., Sc. D., LL.D., F.R.S.C., F.R.H.S., Ottawa, President, National Research Council of Canada;

Tremblay, J. Emile, Ottawa, Commissioner, Civil Service Commission of Canada;

Underwood, E. J., Ottawa, Chief Superintendent, Post Office Service, Post Office Department;

Wright, Major A. M., Ottawa, Chief Administrative Assistant, Department of Pensions.

LIST OF EXHIBITS

The Deputy Head of each Department, as requested by the Committee, filed with the Committee the following documents:—

1. Complete list of all appointments, 1925-1931, inclusive, shewing date of application to Commission, date of appointment and average length of time to have appointments made.
2. Statement giving example of unusual delays in making appointments and the effect, if any, in each case on the administration of the public service.
3. Complete list of all promotions made in the years 1925-1931, inclusive, distinguishing those made as a result of written examinations held by the Commission.
4. Statement indicating what part, if any, the Deputy Head of the Department takes in making promotions.
5. Statement shewing increase in Departmental staff due to operation of Civil Service Commission.
6. What decreases in staff have been made from 1925-1931; on whose recommendation were dismissals made and by whom were made the selections of those to be dismissed and what were the reasons assigned for such dismissals.
7. List shewing successful candidates at written examinations who were not given probationary trial; reasons assigned to Commission for refusal to accept candidate on eligible list.
8. List of appointments made by Commission which proved unsatisfactory, giving reasons.

The above returns are not printed.

The Civil Service Commission produced the following documents at the request of the Committee:—

1. List shewing distribution of Departments among the three Civil Service Commissioners.
2. Copy of Regulations for carrying out provisions of Civil Service Act, amended to date.
3. Copy of Regulations governing the performance by the Commission of its own duties under the Act.
4. The plan of organization of Departments.

4a. Chart of organization of the Civil Service Commission.

5. Copy of The Classification of the Civil Service of Canada, amended to date.
6. Copies of Annual Report of Civil Service Commission for each of years 1925-1931.
7. Statement shewing numerical strength and total salary payments of the Civil Service of Canada for the years 1918-1931 inclusive. (See Appendix "O") page 921.
8. List of cases, if any, where age limit and physical requirements have been applied to persons with war records mentioned in sec. 29 (2) and (4) of Civil Service Act; a statement as to the Commission's interpretation of sec. 30 of the Act; records of cases hereunder to be kept available for use of Committee.
9. List of appointement to Civil Service wherein order of merit on eligible list not followed; reasons assigned for not following order on eligible list.
10. List of Examiners on staff of Civil Service Commission, giving date of appointment to Service; how appointed; date of appointment as Examiner; how appointed; education and experience; returned soldier or not; detail of duties.
11. List of Investigators on staff of Civil Service Commission; date of appointment to Service; how appointed; date of appointment as Investigator; how appointed; education and experience; returned soldier or not; detail of duties.
12. Complete list of present staff of Civil Service Commission; with brief statement as to the duties of chief officers and classification of all, with salaries.
13. List shewing establishment of Civil Service Commission, with salaries, for each year from 1918 to 1931, shewing both permanent and temporary employees.
14. Total of expenditures by Civil Service Commission, other than for salaries, for each year from 1918 to 1931, classified as far as practicable.
15. Complete set of examination papers for last six years, or such as are readily available.

16. Complete list of all Boards appointed in years 1925-1931, inclusive, to assist Commission in making appointments or promotions, giving names of all members of such Boards, their addresses and a summary of fees and expenses paid such Boards.
17. Total number of appointments to the public Service during each of the years 1925-1931, inclusive, indicating: the number of returned soldiers appointed each year; the position to which such were appointed; the total number of appointments made permanent; total number of returned soldier appointments made permanent.
18. List of positions exempt from operation of Civil Service Act under sec. 57 of the Act; statement whether such exemptions made by Order in Council; date and number of said Order in Council; if made otherwise, statement of mode of exemption. Copy of Regulations under this section of Act.
19. List of all positions exempted from the operation of Civil Service Act, under section 59 of the Act, shewing general exemptions; staffs exempted on recommendation of Civil Service Commission, approved by Order in Council; classes exempted in whole; Regulations re exemptions; positions exempted so far as principle of competition in appointment is concerned, but in all other respects subject to provisions of Civil Service Act. (See Appendix "K"), page 907.

19a. Other exemptions not included above; e.g. exemptions by statute or by Votes in Estimates. (See Appendix "K") page 908.

20. List of former private secretaries to Heads of Departments appointed to position of Chief Clerk, Secretary Clerk or any other position in the public service; showing what previous service, if any, prior to appointment as private secretary.
21. Examination schedules and weights for certain enumerated positions. (See Appendix "A") page 890.
22. Statement showing numbers of employees in classified positions by maximum salaries of classes. (See Appendix "C") page 892.
23. Statement showing number of permanent and temporary employees in Civil Service, March, 1931. (See Appendix "J") page 906.
24. List of absences from Commission offices of Civil Service Commissioners from July, 1926, to March, 1932, inclusive. (See Appendix "L") page 913.
25. List showing number of requisitions dealt with by Civil Service Commission from 1924-1931, inclusive. (See Appendix "N") page 920.
26. List of permanent (including seasonal) employees of the Board of Grain Commissioners, with their present salaries.
27. Statement of expenses of Civil Service Commissioners for the years 1925-1931.
28. Vouchers covering expenditures of Civil Service Commissioners for years 1925-1931.
29. List of cases in which a Commissioner dissented from a ruling of the Commission from July, 1926 to March, 1932.
30. Copy of Kemmis-Simmins Report in year 1927.
31. Copy of memoranda attached to Kemmis-Simmins Report of 1927 by Messrs. Bland and Putman.
32. Copy of memoranda attached to Kemmis-Simmins Report of 1927 by any other members of staff of Civil Service Commission.
33. Statement of number of temporary employees on the payrolls of the Dominion Government, for the fiscal years 1929-1930, 1930-1931, 1931-1932.
34. List of more common positions for which written competitive examinations are not held by Civil Service Commission.
35. Memoranda showing the approximate cost of the examination for the position of Chief Page on the staff of the House of Commons.
36. Details of the examination for the position of Chief Page, House of Commons.
37. Complete list of all rejections made by Deputy Heads under section 24 of the Civil Service Act for the years 1925-1931, inclusive and for the months of January and February, 1932.
38. Table showing the temporary employees in the enumerated classes for three-month periods dating from April, 1930, to December, 1931, the last available date.
39. Collection of charts, showing organization of Civil Service Commission, branches and functions thereof; general procedure; examination procedure; promotion and functional chart of Post Office Department.
40. Copies of Minutes of Civil Service Commission for March 29, 1927; March 31, 1927; May 6, 1927; May 16, 1927; May 17, 1927; May 18, 1927.
41. The Minute Book of the Civil Service Commission for the month of August, 1929; the Attendance Book for the same period.

With the exceptions noted, where said exhibits have been printed as Appendices to the Minutes of Evidence, the above exhibits filed by the Civil Service Commission have not been printed.

Exhibits filed, or memoranda produced, by persons other than those mentioned above:

42. Letter from Dr. H. M. Tory, President, National Research Council of Canada, dated March 17, 1932, in which exception is taken to certain statements in evidence. Printed in Minutes of evidence at page 144.
42. Classification and salary ranges authorized in connection with National Research Laboratories. (See Appendix "B") page 891.
43. Memorandum filed on behalf of Professional Institute of the Civil Service of Canada. (See Appendix "D") page 894.
44. Memorandum filed by Canadian Legion of the British Empire Service League. (See Appendix "E") page 896.
45. Excerpts from departmental return filed by Department of National Defence. Printed in Minutes of Evidence at pages 368-373.
46. Statements referred to in above correspondence. (See Appendices "F", "G", "H") pages 898-899.
47. Reclassification Report on staff of House of Commons, 1928, filed by the Clerk of the House of Commons. (See Appendix "I") page 900.
48. Brochure intituled "The Powers and Privileges of the Houses of Parliament as respects their Officers, Clerks and Servants" signed by Jno. Geo. Bourinot, Clerk of the House of Commons. Filed by Dr. Beauchesne. Not printed.
49. Statement of Dr. Newton MacTavish showing credits claimed by him as a set-off to his absences as shown in Appendix "L". (See Appendix "P") page 924.
50. Report to an Order of the House of Commons, daed February 15, 1932, showing: 1. Number of married women in various Government Departments in Ottawa; 2. How many said women live with their husbands; 3. How many said husbands are employed by the Government; 4. How many of said women are the sole support of their family. Not printed.
51. Report to an Order of the House of Commons, dated March 17, 1932, showing: 1. How many Civil Servants who have reached the age of 70, are still employed in the various departments at Ottawa; 2. What positions they occupy; salaries paid annually; retirement allowance they would receive annually, in each case, if now retired; 3. How many come under the Civil Service Superannuation Act; 4. How many come under the Civil Service Retirement Act; 5. Amount of retirement allowance (lump sum) each one would receive on retirement. Not printed.
52. Certified copies of following Orders in Council: P.C. 1467/July 22, 1922; P.C. 2125/ October 16, 1922. Not printed.
53. Statement prepared by Auditor General's Office showing salaries of certain specified members of staff of Civil Service Commission for years 1918-1931, inclusive. Not printed.
54. Memorandum from Halcyon Club, Ottawa. Not printed.
55. Memorandum from Elevator Operators' Branch, Civil Service Association of Ottawa. Not printed.
56. Memorandum from Civil Service Federation dealing with suggested amendments to Civil Service Superannuation Act. Not printed.

MINUTES OF PROCEEDINGS

THURSDAY, March 3, 1932.

The Select Special Committee appointed to consider and report upon appointments to and the control and direction of the Civil Service of Canada and, generally, the administration of the Civil Service Act met this day at 11.00 a.m.

Members present: Messieurs Chevrier, Ernst, Lawson, Vallance and Woodsworth—5.

On motion of Mr. Ernst, seconded by Mr. Chevrier:
Resolved: That Mr. Lawson act as Chairman of the Committee.

Mr. Lawson took the Chair.

The Clerk read the Orders of Reference, viz.:

THURSDAY, February 25, 1932.

Resolved: That the appointments to, and the control and direction of, the Civil Service of Canada, and, generally, the administration and operation of the Civil Service Act, be referred to a Special Committee consisting of seven members of this House to be appointed hereafter, with instruction to inquire into and report concerning the repeal or amendment of any of the provisions of said Act or the substitution therefor or addition thereto of other provisions, as the Committee may deem advisable, with power to send for persons, papers and records, and to report from time to time.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

TUESDAY, March 1, 1932.

Ordered: That the following Members do compose the said Committee, viz. Messrs. Lawson, Bowman, Laurin, Ernst, Chevrier, Vallance and Woodsworth.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

The Chairman outlined the broad scope of the inquiry.

On motion of Mr. Ernst, seconded by Mr. Vallance:

Resolved: That a sub-committee consisting of the Chairman, Mr. Chevrier and Mr. Woodsworth be appointed to draw up a list of documents and information required from the Civil Service Commission and from the Deputy Heads of Departments. The said Committee to draw up a list of the witnesses proposed to be heard. Copies of both lists to be sent to all members of the Committee by the Clerk.

On motion of Mr. Ernst, seconded by Mr. Chevrier:

Resolved: That the Committee do report to the House making the following recommendations:—

1. That 500 copies in English and 200 copies in French of the proceedings and of the evidence to be taken before the Committee and of papers and records

to be incorporated with such evidence be printed; and that Standing Order 64 in relation thereto be suspended.

2. That the Committee be granted leave to sit while the House is sitting.

(For Concurrence: See Journals, March 3, p. 106.)

Ordered: That the Clerk give formal notice to the Secretary of the Civil Service Commission of the date fixed for the commencement of sittings of the Committee; that the Secretary of the Civil Service Commission be supplied with a copy of the Orders of Reference and with a list of the documents and information required from the Civil Service Commission for the use of the Committee; that the Deputy Heads of Departments be notified of the date set for the commencement of sittings of the Committee and that each Deputy Head be sent a list of the information required from Deputy Heads of Departments for the use of the Committee.

The Committee adjourned to meet on Tuesday, March 15, 1932, at 11.00 a.m.

HOUSE OF COMMONS,

TUESDAY, March 15, 1932.

The Select Special Committee appointed to consider and report upon appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 11.00 a.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson, Vallance and Woodsworth—7.

Mr. Lawson in the Chair.

Hon. W. J. Roche, M.D., Ottawa, Chairman, Civil Service Commission of Canada, was called, sworn and examined.

The witness outlined the development of Civil Service legislation in Canada and sketched briefly the functions of the Civil Service Commission under the Act presently in force. He also discussed certain amendments to the Act which, in the opinion of the Commission, might lead to a more efficient administration of the Civil Service.

Witness retired.

Mr. Sanderson, M.P., by leave of the Committee, presented a Resolution from the Stratford (Ontario) Post of the British Empire Service League.

Resolved: That the following witnesses be heard at the next meeting: Messrs. MacTavish and Tremblay, Civil Service Commissioners.

The Committee adjourned to meet on Wednesday, March 16, 1932, at 11.00 a.m.

HOUSE OF COMMONS,

WEDNESDAY, March 16, 1932.

The Special Committee appointed to consider and report upon appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 11.00 a.m.

Members present:—Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson, MacInnis and Vallance,—7.

Mr. Lawson in the Chair.

Newton MacTavish, Esq., Litt.D., Ottawa, Civil Service Commissioner, was called, sworn and examined.

Witness retired.

Ordered: That the Secretary of the Civil Service Commission furnish the Committee with a list of those positions for which the Civil Service Commission does not set written competitive examinations; multiplicate copies of such list, sufficient for the use of the Committee, to be supplied. When any further lists, (or information) are requested from the Commission, eight copies of such lists or information are to be supplied.

Resolved: That J. E. Tremblay, Esq., Civil Service Commissioner be heard at the next meeting of the Committee.

The Committee adjourned to meet at 4.00 p.m. this day.

AFTERNOON SESSION

The Committee met at 4.00 p.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson, MacInnis and Vallance,—7.

Mr. Lawson in the Chair.

J. E. Tremblay, Esq., Ottawa, Civil Service Commissioner, was called, sworn and examined.

Witness retired.

Wm. Foran, Esq., Ottawa, Secretary, Civil Service Commission of Canada, was called, sworn and examined.

The witness distributed to members of the Committee a collection of charts, including: Organization of the Civil Service Commission, shewing functions and branches; general procedure; examination procedure—for certain local competitions, for appointment to rural postmasterships, for Junior Trade Commissioners; promotion procedure and functional chart of the Post Office Department.

Examination of witness to be continued at next meeting.

The Committee adjourned to meet at 3.30 p.m. on Thursday, March 17, 1932.

HOUSE OF COMMONS,

THURSDAY, March 17, 1932.

The Select Special Committee appointed to consider and report upon appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 3.30 p.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson, MacInnis and Vallance—7.

Mr. Lawson in the Chair.

The Chairman distributed to members of the Committee copies of a memorandum addressed to the Honourable the Secretary of State and signed by W. J. Roche, Newton MacTavish and Emile Tremblay, Civil Service Commissioners. The memorandum is a report which outlines the nature of certain irregularities out of which arose recent completed court actions (Rex v. Bouchard et al.), the methods by which such irregularities were perpetrated and the means adopted to minimize the possibility of their repetition in the future.

Examination of Wm. Foran, Esq., Secretary, Civil Service Commission, resumed.

The witness filed a list showing Examination Schedules and Weights for competitions for certain classes. (See Appendix "A").

Ordered: That witness furnish members of this Committee with a statement showing number of temporary civil servants now in Service who have been employed as such for one year, or longer.

Resolved: That representatives, now in Ottawa, of Canadian Postmasters' Association be heard at the next meeting of the Committee; that C. H. Bland, Esq., Assistant Secretary and Chief Examiner, Civil Service Commission, be heard after the aforementioned representatives.

The Committee adjourned to meet on Friday, March 18, 1932, at 11 a.m.

HOUSE OF COMMONS,

FRIDAY, March 18, 1932.

The Select Special Committee appointed to consider and report upon appointments to and the direction and control of the Civil Service of Canada and, generally, the administration and control of the Civil Service Act met this day at 11 a.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson, MacInnis and Vallance—7.

Mr. Lawson in the Chair.

Mr. Vallance called the attention of the Committee to the following item which appeared in the local press last evening:

> A new order just issued provides that any government department desiring to add to its staff must first send the application to the Treasury Board and not to the Civil Service Commission as heretofore.
>
> If the Board approves, then the application is sent on to the Commission; if not, it goes no further.

It is also provided that expenditures must now be approved by the Treasury Board before instead of after such expenditures are made by a department.

Discussion followed.

Mr. K. A. Price, Moosomin, Sask., Dominion President, Canadian Postmasters' Association, was called, sworn and examined.

Witness discharged.

Mr. C. D. Griffith, Estevan, Sask., Secretary-Treasurer, Canadian Postmasters' Association, was called, sworn and examined.

Witness discharged.

Charles H. Bland, Esq., Ottawa, Assistant Secretary and Chief Examiner, Civil Service Commission, was called, sworn and examined.

The witness filed, for the use of the Committee, specimen examination papers for the following positions:

Caretaker;
Customs Excise Examiner;
Hospital Orderly;
Inspector of Weights and Measures;
Junior Trade Commissioner;
Prison Guard;
Rural Postmaster.
Stenographer;

Examination of witness to be continued at next meeting.

The Committee adjourned to meet on Monday, March 21, 1932, at 11 a.m.

HOUSE OF COMMONS,

MONDAY, March 21, 1932.

The Select Special Committee appointed to consider and report upon appointments to and the direction and control of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 11.00 a.m.

Members present:—Messieurs Bowman, Chevrier, Ernst, Lawson, MacInnis and Vallance—6.

Mr. Lawson in the Chair.

Ordered: That returns required from Deputy Heads of Departments should be in the hands of the Clerk by Wednesday, the 23rd instant, at the latest, in order that they may be available for the Committee to look over during the Easter recess.

Resolved: That the Chairman read into the record a letter dated the 17th instant, received from Dr. H. M. Tory, President, National Research Council, in which exception is taken to some statements given in evidence before the Committee.

Ordered: That the Clerk advise Dr. H. M. Tory that, at a date which will later be notified to him, he will be given an opportunity to come before the Committee to make submissions and give evidence.

Examination resumed of C. H. Bland, Esq., Chief Examiner and Assistant Secretary, Civil Service Commission.

The witness filed specimen examination papers for following positions: Immigration Inspector and Letter Carrier.

Ordered: That the witness compile certain information with regard to those employees of the Board of Grain Commissioners who come under the jurisdiction of the Civil Service Commission.

Witness retired.

C. V. Putman, Esq., Ottawa, Chief, Organization Branch, Civil Service Commission, was called, sworn and examined.

Examination of witness to be continued at next meeting of Committee.

The Committee adjourned to meet on Tuesday, March 22, 1932, at 11 a.m.

HOUSE OF COMMONS,

TUESDAY, March 22, 1932.

The Select Special Committee appointed to consider and report upon appointments to and the direction and control of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 11 a.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson, MacInnis and Vallance.—7.

Mr. Lawson in the Chair.

Examination resumed of C. V. Putman, Esq., Chief, Organization Branch, Civil Service Commission of Canada.

Ordered, That the witness file the following:—

Statement as to economies in public expenditure effected by reorganization work carried out by Organization Branch of Civil Service Commission, since 1925; statement to show, in addition, whether such reorganization effected reduction, or increase, in personnel, during same period.

Date present qualifications for positions on staff of Civil Service Commission were made effective;

All files in connection with the appointment of Mr. N. R. Boutin, Investigator, Grade 3, Civil Service Commission;

Up to date position lists, to replace charts of permanent staff of departments already filed with Committee.

Witness retired.

Resolved: That representatives of Civil Service Organizations will be heard at next meeting of Committee.

The Committee adjourned to meet on Wednesday, March 30, at 11 a.m.

HOUSE OF COMMONS,

WEDNESDAY, March 30, 1932.

The Select Special Committee appointed to consider and report upon appointments to and the direction and control of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 11 a.m.

Members present: Messieurs Chevrier, Lawson and Vallance, 3.

Mr. Lawson in the Chair.

In the absence of a quorum (owing to the prolonged session of the House, which adjourned at 4.20 a.m.), the Committee adjourned to meet this day at 3.30 p.m.

AFTERNOON SESSION

The Committee met at 3.30 p.m.

Members present: Messieurs Bowman, Chevrier, Laurin, Lawson, MacInnis and Vallance, 6.

Mr. Lawson in the Chair.

Mr. V. C. Phelan, Ottawa, President, Civil Service Federation, was called, sworn and gave evidence.

Ordered: The Civil Service Commission prepare and submit a list shewing, by salary ranges, total number of employees, temporary and permanent, employed in Civil Service, (*a*) in Ottawa; (*b*) outside Ottawa.

Examination of witness to be continued at next meeting.

The Committee adjourned until Thursday, March 31, at 11 a.m.

HOUSE OF COMMONS,

THURSDAY, March 31, 1932.

The Special Committee appointed to consider and report upon appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and control of the Civil Service Act met this day at 11 a.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson, MacInnis and Vallance—7.

Mr. Lawson in the Chair.

Resolved: That there be printed in the record the following statement filed by the Civil Service Commission:—

Statement showing the numbers of employees in classified positions, by maximum salary of classes. (See Appendix "C.")

Examination resumed of Mr. V. C. Phelan, Ottawa, President, Civil Service Federation of Canada.

Witness discharged.

Miss Edna L. Inglis, Second Vice-President, Civil Service Association of Ottawa, was called, sworn and gave evidence.

Witness to continue submission after adjournment.

The Committee adjourned until 3.30 p.m. this day.

AFTERNOON SESSION

The Committee met at 3.30 p.m.

Members present: Messieurs Bowman, Chevrier, Lawson, MacInnis and Vallance—5.

Mr. Lawson in the Chair.

Miss Edna L. Inglis continued her submission.

Witness discharged.

Mr. Vernon L. Lawson, President, Civil Service Association of Ottawa, was called, sworn and examined.

Witness discharged.

Mr. T. H. Burns, Ottawa, President, Dominion Customs and Excise Officers' Association, was called, sworn and examined.

Examination of witness to be continued at next meeting.

The Committee adjourned until Friday, April 1, at 11 a.m.

HOUSE OF COMMONS,

FRIDAY, April 1, 1932.

The Select Special Committee appointed to consider and report upon appointments to and the direction and control of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 11 a.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson, MacInnis and Vallance—7.

Mr. Lawson in the Chair.

Examination resumed of Mr. T. H. Burns, Ottawa, President, Dominion Customs and Excise Officers' Association.

Witness discharged.

Mr. Gerald Dennehy, Winnipeg, President, Dominion Railway Mail Clerks' Federation, was called, sworn and examined.

Witness discharged.

Mr. Fred Knowles, Ottawa, National Secretary-Treasurer, Amalgamated Civil Servants of Canada, was called, sworn and gave evidence.

Witness discharged.

The Committee adjourned until Tuesday, April 5, 1932, at 11 a.m.

HOUSE OF COMMONS,

TUESDAY, April 5, 1932.

The Select Special Committee appointed to consider and report upon appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 11 a.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson and MacInnis—6.

Mr. Lawson in the Chair.

Mr. William Neville Duncan, Toronto, National Secretary, United Postal Employees of Canada, was called, sworn and examined.

Witness discharged.

Mr. John J. Reaves, Toronto, National Secretary, Federated Association of Letter Carriers, was called, sworn and examined.

Witness discharged.

Ordered: That the following be called to appear before the Committee at its next meeting: Dr. H. M. Tory, Ottawa, President, National Research Council and the chosen representative of the Professional Institute of the Civil Service of Canada.

The Committee adjourned to meet at 3.30 p.m. this day.

AFTERNOON SESSION

The Committee met at 3.30 p.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson, MacInnis and Vallance—7.

Mr. Lawson in the Chair.

Dr. H. M. Tory, Ottawa, President, National Research Council, was called, sworn and examined.

Witness discharged.

Dr. E. S. Archibald, Ottawa, President, Professional Institute of the Civil Service of Canada, was called, sworn and gave evidence.

Witness discharged.

Ordered: That the following be asked to appear before the Committee at its next meeting: the representative of the Canadian Legion of the British Empire Service League; and the following Deputy Heads of Departments; the Deputy Minister of National Defence and the Deputy Minister, Department of Mines.

The Committee adjourned until Wednesday, April 6, at 11 a.m.

HOUSE OF COMMONS,

WEDNESDAY, April 6, 1932.

The Select Special Committee appointed to inquire into and report upon appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 11 a.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson, MacInnis and Vallance—7.

Mr. Lawson in the Chair.

Mr. J. C. G. Herwig, Ottawa, Dominion Headquarters' Service Bureau, Canadian Legion of the British Empire Service League was called, sworn and examined.

Witness discharged.

Ordered: That the following Deputy Heads of Departments be asked to appear at the next meeting of the Committee: the Deputy Minister, Department of National Defence and the Deputy Postmaster General.

The Committee adjourned to meet on Thursday, April 7, at 11 a.m.

HOUSE OF COMMONS,

THURSDAY, April 7, 1932.

The Select Special Committee appointed to consider and report upon appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 11 a.m.

Members present: Messieurs Bowman, Ernst, Laurin, Lawson, MacInnis, 5.

Mr. Lawson in the Chair.

G. J. Desbarats, Esq., C.M.G., Ottawa, Deputy Minister, Department of National Defence, was called, sworn and examined.

Witness discharged.

Ordered: That the following be present to be heard at the next sitting of the Committee: C. H. Bland, Esq., Chief Examiner, Civil Service Commission; Mr. R. Morgan, Examiner, Grade 2, Civil Service Commission; Major A. M. Wright, Chief Administrative Assistant, Department of Pensions; Lt.-Col. C. B. Topp, D.S.O., M.C., A.D.C., Chief Pensions Advocate, Veterans' Bureau, Department of Pensions.

The Committee adjourned until 3.30 p.m., this day.

AFTERNOON SESSION

The Committee met at 3.30 p.m.

Members present: Messieurs Bowman, Ernst, Laurin, Lawson, and MacInnis, 5.

Mr. Lawson in the Chair.

C. H. Bland, Esq., Chief Examiner, Civil Service Commission, recalled.

Witness retired.

Mr. R. Morgan, Ottawa, Civil Service Examiner, Grade 2, was called, sworn and examined.

Witness discharged.

Ordered: That the following be present to be heard at the next sitting of the Committee: Messieurs Bland and Morgan, Civil Service Commission; Major Wright; Lt.-Col. C. B. Topp; the following to be in readiness to be called, probably Monday afternoon: P. T. Coolican, Esq., Assistant Deputy Postmaster General, and E. J. Underwood, Esq., Chief Superintendent, Post Office Service.

The Committee adjourned to meet on Monday, April 11, at 11 a.m.

HOUSE OF COMMONS,

MONDAY, April 11, 1932.

The Select Special Committee appointed to inquire into and report upon appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 11 a.m.

Members present: Messieurs Bowman, Chevrier, Lawson, MacInnis and Vallance, 5.

Mr. Lawson in the Chair.

C. H. Bland, Esq., Chief Examiner, Civil Service Commission, recalled.

Witness discharged.

Mr. S. J. Daley, Ottawa, Chief, English Clerical Section, Examination Branch, Civil Service Commission, was called, sworn and examined.

Witness discharged.

Major A. M. Wright, Ottawa, Chief Administrative Assistant, Department of Pensions, was called, sworn and examined.

Witness discharged.

Lt.-Col. C. B. Topp, D.S.O., M.C., A.D.C., Ottawa, Chief Pensions Advocate, Veterans' Bureau, Department of Pensions, was called, sworn and examined.

Witness discharged.

C. H. Bland, Esq., Assistant Secretary, Civil Service Commission, recalled.

Witness retired.

Ordered: That the following be notified by the Clerk to be in attendance at the next meeting of the Committee; L. J. Gaboury, Esq., Deputy Postmaster General; P. T. Coolican, Esq., Assistant Deputy Postmaster General; E. J. Underwood, Esq., Chief Superintendent, Post Office Service; G. C. Anderson, Esq., Superintendent, Mail Service Branch, Post Office Department.

The Committee adjourned to meet on Tuesday, April 12, 1932, at 11 a.m.

HOUSE OF COMMONS,

TUESDAY, April 12, 1932.

The Select Special Committee appointed to inquire into and report upon appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 11 a.m.

Members present: Messieurs Bowman, Chevrier, Laurin, Lawson and MacInnis—5.

Mr. Lawson in the Chair.

On motion of Mr. Laurin, seconded by Mr. MacInnis:

Resolved: That Mr. Bowman act as Vice Chairman of this Committee, when necessary.

L. J. Gaboury, Esq., Ottawa, Deputy Postmaster General, was called, sworn and examined.

Witness discharged.

P. T. Coolican, Esq., Ottawa, Assistant Deputy Postmaster General, was called, sworn and examined.

Witness discharged.

E. J. Underwood, Esq., Ottawa, Chief Superintendent, Post Office Service, Post Office Department, was called, sworn and examined.

Examination of witness to be resumed at next meeting.

The Committee adjourned until 3.30 p.m. this day.

AFTERNOON SESSION

The Committee met at 3.30 p.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson and MacInnis—6.

Mr. Lawson in the Chair.

Examination resumed of Mr. Underwood.

Examination of witness to be continued at next session of Committee.

Ordered: That the Clerk notify the following to be present to testify at next meeting: Arthur Beauchesne, Esq., K.C., LL.D., Litt.D., F.R.S.C., Clerk of the House of Commons, and Georges Gonthier, Esq., C.A., Auditor General of Canada.

The Committee adjourned until Wednesday, April 13, at 11 a.m.

HOUSE OF COMMONS,

WEDNESDAY, April 13, 1932.

The Select Special Committee appointed to inquire into and report upon appointments to and the direction and control of the Civil Service of Canada and generally, the administration and operation of the Civil Service Act met this day at 11 a.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson, MacInnis and Vallance—7.

Mr. Lawson in the Chair.

Arthur Beauchesne, Esq., K.C., LL.D., Litt. D., F.R.S.C., Clerk of the House of Commons was called, sworn and examined.

Witness retired.

Georges Gonthier, Esq., L.I.A., C.A., Auditor General of Canada, was called, sworn and examined.

Witness discharged.

Examination was resumed of E. J. Underwood, Esq., Chief Superintendent, Post Office Service.

Examination of witness to be continued at next meeting of Committee.

Ordered: That the following be present to testify at the next meeting of the Committee: Hon. W. J. Roche, M.D., and J. E. Tremblay, Esq., Civil Service Commissioners; C. H. Bland, Assistant Secretary, Civil Service Commission; E. J. Underwood, Esq., Chief Superintendent, Post Office Service, Post Office Department;

That the Secretary of the Civil Service Commission produce files *re* appointments of Postmasters of which a list was this day given to the Assistant Secretary of the Civil Service Commission.

The Committee adjourned to meet at 11 a.m. on Thursday, April 14, 1932.

HOUSE OF COMMONS,

THURSDAY, April 14, 1932.

The Select Special Committee appointed to inquire into and report upon appointments to and the direction and control of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 11 a.m.

Members present: Messieurs Bowman, Ernst, Laurin, Lawson, and MacInnis, 5.

Mr. Lawson in the Chair.

Arthur Beauchesne, Esq., K.C., LL.D., Litt.D., F.R.S.C., Clerk of the House of Commons recalled.

Witness discharged.

Hon. W. J. Roche, M.D., recalled.

Witness retired.

J. Emile Tremblay, Esq., Civil Service Commissioner, recalled.

Mr. Lawson withdrew; Mr. Bowman, Vice Chairman, took the Chair.

Examination of witness to be continued at next sitting of the Committee.

The Committee adjourned until 3.30 this afternoon.

AFTERNOON SESSION

The Committee met at 3.30 p.m.

Members present: Messieurs Bowman, Ernst, Laurin, Lawson, MacInnis and Vallance, 6.

Mr. Lawson in the Chair.

Examination resumed of J. Emile Tremblay, Esq.

Witness retired.

Hon. W. J. Roche, M.D., recalled.

Witness retired.

Ordered: That No. 15 of the Minutes of Proceedings and Evidence be reprinted.

Ordered: That the following be present to testify at the next meeting of the Committee: Dr. Charles Camsell, Deputy Minister, Department of Mines; Dr. Newton MacTavish, Civil Service Commissioner.

The Committee adjourned to meet on Friday, April 15, at 3.30 p.m.

HOUSE OF COMMONS,

FRIDAY, April 15, 1932.

The Select Special Committee appointed to inquire into and report upon appointments to and the direction and control of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 3.30 p.m.

Members present: Messieurs Bowman, Chevrier, Lawson and MacInnis, 4.

Mr. Lawson in the Chair.

Charles Camsell, Esq., LL.D., F.R.S.C., Ottawa, Deputy Minister, Department of Mines; was called, sworn and examined.

Witness discharged.

Newton MacTavish, Esq., Litt. D., Civil Service Commissioner, recalled.

Witness retired.

Hon. W. J. Roche, M.D., Chairman, Civil Service Commission, recalled.

Witness retired.

Newton MacTavish, Esq., recalled.

Witness retired.

Ordered: That J. Emile Tremblay, Esq., Civil Service Commissioner, be notified to be present to testify at the next meeting; also such other witnesses to whom the Clerk may be instructed to send notices to appear.

The Committee adjourned to meet on Monday, April 18, at 11 a.m.

HOUSE OF COMMONS,

MONDAY, April 18, 1932.

The Select Special Committee appointed to inquire into and report upon appointments to and the direction and control of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 11.00 a.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Laurin, MacInnis and Vallance, 6.

Mr. Bowman, Vice Chairman, in the Chair.

C. H. Bland, Esq., Assistant Secretary, Civil Service Commission, recalled.

Witness retired.

J. Emile Tremblay, Esq., Civil Service Commissioner, recalled.

Witness retired.

C. H. Bland, Esq., recalled.

Witness retired.

After discussion thereon, the Vice Chairman ruled out of order the following motion of Mr. Chevrier, of which Mr. Vallance was the seconder:—

> That instructions be given and means be taken to have produced before this Committee the following papers: From the files of the Central Registry of the Civil Service Commission, as they now stand, the first

twenty files under each letter of the alphabet; that this Committee investigate all such files and that any finding as to the administration and operation of the Civil Service Act be based upon the said investigation of such files.

The Committee adjourned until Tuesday, April 19, at 3.30 p.m.

HOUSE OF COMMONS,

TUESDAY, April 19, 1932.

The Select Special Committee appointed to inquire into and report upon appointments to and the direction and control of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 3.30 p.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Lawson, MacInnis and Vallance, 6.

Mr. Lawson in the Chair.

C. H. Bland, Esq., Assistant Secretary, Civil Service Commission of Canada, recalled.

Witness retired.

C. S. McGillivray, Esq., Chief Canning Inspector, Fruit Branch, Department of Agriculture, was called, sworn and examined.

Witness discharged.

The Committee adjourned until Wednesday, April 20, at 11 a.m.

HOUSE OF COMMONS,

WEDNESDAY, April 20, 1932.

The Select Special Committee appointed to inquire into and report upon appointments to and the direction and control of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 11 a.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson, MacInnis and Vallance, 7.

Mr. Lawson in the Chair.

The Honourable George Black, K.C., M.P. (*Yukon*) was called, sworn and gave evidence.

Witness retired.

C. V. Putman, Esq., Chief, Organization Branch, Civil Service Commission, recalled.

Witness retired.

On motion of Mr. Ernst:

Resolved: That the Secretary of the Civil Service Commission produce the following papers, required for the use of the Committee: The original order of the Civil Service Commission directing Messrs. A. C. Kemmis and R. G. Simmins, two members of the staff of the Commission, to inquire into and report upon

the organization of the Civil Service Commission, in or about the years 1926 or 1927; together with any memorandum, or memoranda, containing any notation, or notations, as to the reasons for the decisions of the Chairman of the Commission and Commissioners MacTavish and Tremblay in relation thereto;

Also the original Report of Messrs. A. C. Kemmis and R. G. Simmins made in obedience to such order; together with any endorsations thereon, or memoranda thereto attached, by Messrs. C. H. Bland, Chief Examiner, Civil Service Commission and C. V. Putman, Chief, Organization Branch, Civil Service Commission and any other person or persons;

Also minutes of any meetings of the Commission for consideration of said Report;

Also all correspondence between the Commission, or any member thereof, and any person, or persons, relating or referring to the said Report.

Also all documents of any kind or description relating or referring to the said Report.

On motion of Mr. Laurin:

Resolved: That the details of all expenses of the Chairman of the Civil Service of Canada and of Messieurs MacTavish and Tremblay, Civil Service Commissioners, for the years ending March 31, 1926, 1927, 1928, 1929, 1930, 1931 and 1932 be compiled and produced by the Secretary of the Civil Service Commission for the use of this Committee.

On motion of Mr. Ernst:

Resolved: That all files or other papers asked to be produced by the Civil Service Commission for the use of the Committee have attached thereto the certificate of the Secretary of the Civil Service Commission as to the completeness in every respect of the file or paper in question.

On motion of Mr. Bowman:

Resolved: That the Clerk of the Committee prepare a list of all recommendations or resolutions which have been submitted to the Committee.

Ordered: That the following be present to testify at the next meeting of the Committee: The Chairman of the Civil Service Commission and Messrs. MacTavish and Tremblay, Civil Service Commissioners; Messrs. C. H. Bland and C. V. Putman, of the staff of the Civil Service Commission and such other persons whom the Clerk of the Committee may notify to be in attendance.

The Committee adjourned to meet on Thursday, April 21, at 11 a.m.

HOUSE OF COMMONS,

THURSDAY, April 21, 1932.

The Select Special Committee appointed to inquire into and report upon appointments to and the direction and control of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 11 a.m.

Members Present:—Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson, MacInnis and Vallance—7.

Mr. Lawson in the Chair.

Newton MacTavish, Esq., Litt.D., Civil Service Commissioner, recalled.

Ordered: That the Civil Service Commission prepare and supply the Committee with eight copies of the Kemmis-Simmins Report for the use of the Committee.

Examination of witness to be continued at next sitting of the Committee.

The Committee adjourned to meet at 3.30 p.m., this day.

AFTERNOON SESSION

The Committee met at 3.30 p.m.

Members Present:—Messieurs Bowman, Chevrier, Ernst, Lawson, MacInnis and Vallance—6.

Mr. Lawson in the Chair.

Examination resumed of Newton MacTavish, Esq., Litt.D.

Witness retired.

C. H. Bland, Esq., Chief Examiner, Civil Service Commission, recalled.

Ordered: That the Civil Service Commission prepare and supply, for the use of the Committee only, eight copies of the memoranda signed by Messrs. C. H. Bland and C. V. Putman respectively and attached to the Kemmis-Simmins Report.

Witness retired.

Ordered: That the following be in attendance to testify at the next meeting of the Committee: The Chairman of the Civil Service Commission; J. Emile Tremblay, Esq., Civil Service Commissioner; Messrs. C. H. Bland, C. V. Putman and A. C. Kemmis of the staff of the Civil Service Commission; and such other persons to whom the Clerk of the Committee shall send notices to appear.

The Committee adjourned until Friday, April 22, at 3.30 p.m.

HOUSE OF COMMONS,

FRIDAY, April 22, 1932.

The Select Special Committee appointed to inquire into and report upon appointments to and the direction and control of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 3.30 p.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Lawson, MacInnis and Vallance.—6.

Mr. Lawson in the Chair.

C. H. Bland, Esq., Chief Examiner, Civil Service Commission, recalled.

Witness retired.

J. Emile Tremblay, Esq., Commissioner, Civil Service Commission of Canada, recalled.

Witness retired.

C. V. Putman, Esq., Chief, Organization Branch, Civil Service Commission, recalled.

Witness retired.

Hon. W. J. Roche, M.D., Chairman, Civil Service Commission of Canada, recalled.

Witness retired.

Ordered,—That the Civil Service Commission prepare and supply, for the use of the Committee only, eight copies of all memoranda attached to the Kemmis-Simmins report (except those of Messrs. Bland and Putman, already supplied).

Ordered,—That the Civil Service Commission produce the Minutes of the Board of the Civil Service Commission for March 29, 1927; March 31, 1927; May 6, 1927; May 16, 1927; May 17, 1927; May 18, 1927.

Ordered,—That the Clerk do issue a summons *ad test.* to Frank Grierson, Esq., Ottawa, for Tuesday, April 26, next, at 11 a.m.; that notice to be present to testify be sent to Wm. Foran, Esq., Secretary, Civil Service Commission, for the same meeting.

Ordered,—That C. H. Bland, Esq., Assistant Secretary, Civil Service Commission be notified to be present to testify at the next meeting of the Committee; and also such other persons to whom the Clerk may send notices to appear.

The Committee adjourned until Monday, April 25, at 11 a.m.

HOUSE OF COMMONS,

MONDAY, April 25, 1932.

The Select Special Committee appointed to inquire into and report upon appointments to and the direction and control of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 11 a.m.

Mr. Bowman, Vice Chairman, in the Chair.

A quorum not being present, the Vice Chairman adjourned the meeting until Tuesday, April 26, at 11 a.m.

HOUSE OF COMMONS,

TUESDAY, April 26, 1932.

The Select Special Committee appointed to inquire into and report upon appointments to and the direction and control of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 11 a.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson MacInnis and Vallance, 7.

Mr. Lawson in the Chair.

Mr. Frank Grierson, who had been summoned to appear this day, was in attendance; was discharged from further attendance this day. He will attend at a later date which will be notified to him by the Clerk.

Wm. Foran, Esq., Secretary, Civil Service Commission, recalled.

Witness retired.

A. C. Kemmis, Esq., Ottawa. Examiner, Civil Service Commission, was called, sworn and examined.

Witness discharged.

Hon. W. J. Roche, M.D., Chairman, Civil Service Commission, was recalled.

Examination of this witness and of Commissioners Tremblay and MacTavish to be continued at next meeting of the Committee.

Ordered: That the Civil Service Commission furnish the following information for the use of the Committee; Record of attendance, and record of absence from Ottawa of each Commissioner for the years 1928, 1929, 1930, 1931, 1932; also vouchers covering expenses of Commissioners Tremblay and MacTavish for the years 1926, 1927, 1928, 1929, 1930, 1931.

The Committee adjourned until Wednesday, April 27, at 11 a.m.

HOUSE OF COMMONS,

WEDNESDAY, April 27, 1932.

The Select Special Committee appointed to inquire into and report upon appointments to and the direction and control of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 11 a.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson, MacInnis and Vallance, 7.

Mr. Lawson in the Chair.

The Chairman acknowledged receipt of a memorial from the Halycon Club, Ottawa, the special organization of the women Civil Servants at Ottawa. Copies of the memorial will be prepared and distributed to the Committee.

The Civil Service Commission filed with the Committee the following documents, which are not to be available for publication in the Press until the Committee shall so decide: List of absences from office of Civil Service Commissioners for years 1926 to date; return of all cases in which a Commissioner dissents from the majority judgment of the Board of the Civil Service Commission from 1926 to date.

This latter return is consequent upon the motion of Mr. MacInnis:

Resolved: That the Civil Service Commission prepare and supply for the use of the Committee a return showing all cases in which a Civil Service Commissioner dissented from the majority decision of the Board of Civil Service Commissioners since 1926 to date; the files to accompany the return.

Examination resumed of Hon. W. J. Roche, M.D., Chairman, Civil Service Commission; J. Emile Tremblay, Esq., and Dr. Newton MacTavish, Civil Service Commissioners.

Examination of these witnesses to be continued at the next meeting of the Committee.

Ordered: That the Civil Service Commission produce for the use of the Committee vouchers covering all travelling expenses of the Civil Service Commissioners.

The Committee adjourned until 4 p.m.

AFTERNOON SESSION

The Committee met at 4.25 p.m.

Members present: Messieurs Bowman, Chevrier, Lawson, MacInnis and Vallance, 5.

Mr. Lawson in the Chair.

Examination resumed of the three Civil Service Commissioners.

Witnesses retired.

Ordered: That the Chairman and Messrs. MacTavish and Tremblay of the Civil Service Commission be present at the next sitting of the Committee; and such others persons to whom the Clerk shall send notice to appear.

The Committee adjourned until Thursday, April 28, at 11 a.m.

HOUSE OF COMMONS,

THURSDAY, April 28, 1932.

The Select Special Committee appointed to inquire into and report upon appointments to and the direction and control of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 11.00 a.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson, MacInnis and Vallance, 7.

Mr. Lawson in the Chair.

C. V. Putman, Esq., Chief, Organization Branch, Civil Service Commission, recalled.

Witness retired.

Wm. Foran, Esq., Secretary, Civil Service Commission, recalled.

Witness retired.

Miss Elsie E. Saunders, Supervisor, Personal Services, Civil Service Commission, was called, sworn and gave evidence.

Witness retired.

Dr. Newton MacTavish, Civil Service Commissioner, recalled.

Ordered: That the list of absences of Civil Service Commissioners, as prepared by the Supervisor of Personal Services under the direction of the Secretary of the Civil Service Commission and filed with the Committee, be printed as Appendix "L" to the Minutes of Proceedings and Evidence; that the list of Sundays included in the periods shown in Dr. MacTavish's absences be printed as Appendix "M" to the Minutes of Proceedings and Evidence.

Ordered: That the Secretary of the Civil Service Commission produce for the use of the Committee the Minute Book of the Civil Service Commission for the month of August, 1929; also the Attendance Book of the Civil Service Commission for the same period.

Examination of witness to be continued at next sitting of the Committee.

The Committee adjourned until 3.30 p.m.

AFTERNOON SESSION

The Committee met at 3.30 p.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson, MacInnis and Vallance, 7.

Mr. Lawson in the Chair.

Examination resumed of Dr. Newton MacTavish.

Ordered: That the Secretary of the Civil Service Commission produce for the use of the Committee the Minute Book of the Civil Service Commission for the month of August, 1928; also the Attendance Book of the Civil Service Commission for the same period.

Witness retired.

Miss Jennie Otter, Secretary to Executive, acting Secretary to Commissioner MacTavish, was called, sworn and gave evidence.

Witness retired.

Miss Elsie E. Saunders, recalled.

Witness discharged.

Ordered: That the members of the Civil Service Commission and those of their staff detailed by the Commission be present at the next meeting of the Committee to make submissions on behalf of Commission in reply to such evidence as has been thus far put on record and to make such further recommendations or suggestions as they may see fit.

The Committee adjourned until Friday, April 29, 1932.

HOUSE OF COMMONS,

FRIDAY, April 29, 1932

The Select Special Committee appointed to inquire into and report upon appointments to and the direction and control of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 11 a.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson, MacInnis and Vallance—7.

Mr. Lawson in the Chair.

C. H. Bland, Chief Examiner, Civil Service Commission, recalled.

Witness retired.

C. V. Putman, Chief, Organization Branch, Civil Service Commission, recalled.

Witness retired.

The Honourable Mr. George Black, M.P. (*Yukon*), recalled.

Witness discharged.

The Committee adjourned until 3.30 p.m., this day.

AFTERNOON SESSION

The Committee met this day at 3.30 p.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Lawson, MacInnis and Vallance—6.

Mr. Lawson in the Chair.

C. H. Bland, Esq., recalled.
Witness retired.

Hon. W. J. Roche, M.D., Chairman, Civil Service Commission, recalled.
Witness discharged.

J. Emile Tremblay, Esq., Civil Service Commissioner, recalled.
Witness discharged.

Messrs. Bland and Putman recalled.

Ordered: That the following documents, filed with the Committee by the Civil Service Commission, be printed as Appendices to the Minutes of Proceedings and Evidence: Statement showing number of requisitions for appointments received by Civil Service Commission from 1924 to 1931, inclusive (See Appendix "N"); Statement of the numerical strength and total salary payments of the Civil Service for January of the years 1918-1931 inclusive (See Appendix "O" (a)); Statement showing, by Departments, the number of employees in the Dominion Government Service for January of the years 1912-1930 (See Appendix "O" (b)).
Witnesses discharged.

Dr. Newton MacTavish, Civil Service Commissioner, recalled.

Miss Jennie Otter, Acting Secretary to Dr. MacTavish, recalled.

Ordered: That there be printed as an Appendix to the Minutes of Proceedings and Evidence the statement filed by Dr. MacTavish showing credits for leave claimed by him as a set-off against his absences as shown in Appendix "L" (See Appendix "P").
Witnesses discharged.

The Chairman declared that this was the last public meeting for the purpose of taking oral evidence.

The Committee adjourned until Monday, May 2, at 11 a.m.

HOUSE OF COMMONS,
MONDAY, May 2, 1932.

The Select Special Committee appointed to inquire into appointments to and the direction and control of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 11 a.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Lawson, MacInnis and Vallance, 6.

Mr. Lawson in the Chair.

There were received and filed the following memoranda; a communication from the Civil Service Federation dealing with the subject of Superannuation; a memorandum from the Elevator Operators' Branch of the Civil Service Association.

The Committee proceeded to consider the evidence adduced during the present inquiry and memoranda submitted.

Progress reported.

The Committee adjourned to meet at 3.30 p.m. this day.

AFTERNOON SESSION

The Committee met at 3.30 p.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Lawson, MacInnis and Vallance, 6.

Mr. Lawson in the Chair.

Consideration resumed of the evidence.

Progress reported.

The Committee adjourned until Tuesday, May 3, at 11 a.m.

HOUSE OF COMMONS,

TUESDAY, May 3, 1932.

The Select Special Committee appointed to inquire into appointments to and the direction and control of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 11 a.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Lawson, MacInnis and Vallance, 6.

Mr. Lawson in the Chair.

Consideration resumed of the evidence adduced before the Committee during the inquiry.

Progress reported.

The Committee adjourned until 3.30 p.m. this day.

AFTERNOON SESSION

The Committee met at 3.30 p.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Lawson, MacInnis and Vallance, 6.

Mr. Lawson in the Chair.

Consideration resumed of the evidence and of the recommendations the Committee proposes to make to Parliament.

Progress reported.

The Committee adjourned until 3.30 p.m., Wednesday, May 4.

HOUSE OF COMMONS,

WEDNESDAY, May 4, 1932.

The Select Special Committee appointed to inquire into appointments to and the direction and control of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 3.30 p.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson, MacInnis and Vallance, 7.

Mr. Lawson in the Chair.

Consideration resumed of the recommendations it is proposed to make to Parliament.

Ordered: That a draft report based on the recommendations considered be prepared and presented to the Committee at its next meeting.

The Committee adjourned until 3.30 p.m., Friday, May 6, 1932.

HOUSE OF COMMONS,

FRIDAY, May 6, 1932.

The Select Special Committee appointed to inquire into appointments to and the direction and control of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 3.30 p.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Lawson, MacInnis and Vallance, 6.

Mr. Lawson in the Chair.

A draft report was submitted by the Chairman as a basis for a report to be presented to the House of Commons.

The draft report was considered.

Progress reported.

Ordered: That the draft report, as amended, be retyped, recast and considered by the Committee at its next meeting.

The Committee adjourned until 10 a.m., Tuesday, May 10, 1932.

HOUSE OF COMMONS,

TUESDAY, May 10, 1932.

The Select Special Committee appointed to inquire into appointments to and the direction and control of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act met this day at 10 a.m.

Members present: Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson, MacInnes and Vallance, 7.

Mr. Lawson in the Chair.

The draft report as retyped and recast was considered.

On motion of Mr. Ernst,

Resolved: That the following be presented to the House this day as the unanimous Report of the Committee:—

(For unanimous and Final Report see page vi.)

The Committee then adjourned *sine die*.

T. L. McEVOY,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS

MARCH 15, 1932.

The Select Special Committee to inquire into and consider appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 11 a.m., Mr. Lawson presiding.

The CHAIRMAN: Gentlemen, we might as well make a start. The initial meeting of the Committee decided that in the first instance we would request the members of the Civil Service Commission to come before the Committee and report to us their views as to the efficiency of the working of the present Act, and the regulations thereunder. I think the Hon. Dr. Roche, the Chairman, is here.

I have received considerable correspondence which I would like to submit to the Committee. Is it the pleasure of the Committee that we should proceed with Hon. Dr. Roche and take up this correspondence toward the end of our session?

Agreed.

Mr. BOWMAN: Mr. Chairman, might I ask a question or two? I was not here at the first meeting of the Committee, owing to the fact that there was some mix-up over the time that committees were meeting; but, considering the amount of work that we have ahead of us, have you taken into consideration any particular line that we should follow? Personally, the task seems a somewhat colossal one and I was wondering if we had better organize to get out evidence in some orderly way.

The CHAIRMAN: At our initial meeting, Mr. Bowman, the Committee determined on the following:

1. We would ask the members of the Civil Service Commission to come here first and give us their views;

(*a*) with respect to the present Act and its efficiency;

(*b*) any suggested amendments which they might have to make it more efficient.

2. That a small committee consisting of Mr. Woodsworth, Mr. Chevrier and myself be appointed to consider what material we would request from the Commission and the deputy ministers of the different Departments. We made up lists of requests, with which you were furnished, and most of the material requested has been supplied and is in the hands of the Clerk of the Committee, Mr. McEvoy, and is available for examination, at his office, by any of the members of the Committee, any time they so desire.

3. That, after hearing from the members of the Civil Service Commission, we would hear from such organizations representing civil servants as should be determined by the Committtee.

4. That we would not accept voluminous written memoranda from anybody, but if anybody cared to summarize in the form of a memorandum that which he had to say before the Committee and leave his memorandum with us, we would be glad to have it.

5. After having heard from the Commission, and from the representatives of the civil servants, the Committee would then determine to what extent it would investigate individual complaints which might be received, providing that such complaints were representative of general conditions which the Committee felt should be looked into.

To that extent we have worked out an agenda. Does it meet with the pleasure of the Committee that we should proceed with the Hon. Dr. Roche?

Agreed.

WILLIAM JAMES ROCHE, called and sworn.

The WITNESS: I have something here, Mr. Chairman, that will take about ten minutes to read.

The CHAIRMAN: The only idea, Doctor Roche, was that organizations should not come and dump upon us a mass of memoranda when we have no opportunity of asking any questions relative to it. I would sugggest, Doctor, that you proceed with your memorandum.

The WITNESS: Well, I have prepared here, in condensed form, a historical resume of the preliminaries leading up to the adoption of the present Civil Service Act and its developments since that time. It will take a comparatively short time to read it, and I will do so as briefly as possible.

THE PROVISIONS AND ADMINISTRATION OF THE CIVIL SERVICE ACT

I. WHY THE ACT WAS PASSED

Before proceeding with the provisions of the Act and Regulations, some reference is necessary to the conditions which gave rise to their enactment as law.

The Act was passed by parliament in 1919. It was approved as a direct result of the platform upon which the Union Government, under the leadership of Sir Robert Borden, appealed to the country in the election of December, 1917, its avowed purpose being "to abolish patronage and to make appointments to the public service upon the sole standard of merit."

It was furthermore, the culmination of a long public agitation and of a series of investigations and reports by parliamentary and Royal commissions extending over a period of forty years.

The Casey Commission of 1877, the McInnes Commission of 1881, the Hague Commission of 1892, and the Courtney Commission of 1908, all urged the establishment of the principle finally enacted in 1919.

A partial attempt had been made, in 1908, to establish a measure of civil service reform by the passing of an act establishing a Civil Service Commission having general jurisdiction over examinations for the Civil Service, and providing that certain positions in the service at Ottawa should be filled by competitive examination.

The scope of this Act was, however, so limited that four years later, in 1912, a commission composed of Messrs. G. N. Ducharme and R. S. Lake reported that entrance to and promotion in the service should not be a matter of political patronage, but that the whole outside service should be placed under the Civil Service Commission.

The same year (1912) an excellent report on the Public Service of Canada was made by Sir George Murray, who had had a very considerable experience in public service administration in Great Britain, and who, among other things, recommended that technical appointments to the public service should be left entirely to the Civil Service Commissioners.

In 1918 a commission was appointed to investigate the administration of the Department of Public Printing and Stationery, and their findings were so condemnatory of the conditions found to exist under the patronage system that a further investigation into the affairs of the Printing Bureau was soon after authorized and resulted in a sweeping reorganization, with an annual saving of $600,000.

It was, therefore, as the culmination of this series of reports, as well as in fulfillment of its election pledge, that the Union Government, in 1918, submitted to Parliament a Civil Service Act which extended the competitive principle to the Outside Service, and completed its action the following year (1919) by passing an amended Act which established the principle of competitive examination as the basis of appointment to the entire Public Service of Canada and in other ways set up a system of Civil Service control which was probably the most extensive public service legislation ever placed upon the statute books of any country.

II. What the Act Provided

The main provisions of the Act were as follows:—

(1) That appointments to the Public Service should be made by competitive examination.
(2) That promotions in the Service should be made by competition and for merit.
(3) That a standard establishment or organization should be set up for each department.
(4) That all positions in the Service should be classified.
(5) That there should be standard regulations governing salary schedules, salary increases, transfers and leave of absence.
(6) That a Civil Service Commission should be established to administer the above.

III. How the Act is Administered

THE CIVIL SERVICE COMMISSION

The Commission, under the Act, consists of not more than three members, appointed by the Governor in Council, its duties being summarized as follows:—

(*a*) To test and pass upon the qualifications of candidates for admission to, and transfer and promotion in, the Civil Service, and to issue certificates with respect thereto required under this Act or regulations made hereunder;
(*b*) Of its own motion to investigate and report upon the operation of this Act, and upon the violation of any of the provisions hereof or of any regulation made hereunder; and, upon the request of the head of a department, to investigate and report upon any matter relative to the department, its officers, clerks, and other employees;
(*c*) To report upon the organization or proposed organization of the departments or any portion of any department or of the Civil Service, and upon any proposed change in such organization;
(*d*) To obtain the assistance of competent persons to assist the Commission in the performance of its duties;
(*e*) To make an annual report on the organization and staff, including the duties and salaries of such staff, of each portion of the Civil Service;
(*f*) To arrange for the transfer of supernumeraries or other officers, clerks and employees from portions of the Civil Service where they are no longer required to other portions of the Civil Service where they are required;
(*g*) Such other duties as are assigned to it by the Governor in Council.

RECRUITING

The keystone of the Civil Service Act is the principle of appointment by competitive examination.

The provisions of the Act embodying this principle are:

> Except where otherwise expressly provided, all appointments to the Civil Service shall be upon competitive examination. (Section 20).
>
> Such examinations may be written or oral or in the form of a demonstration of skill or any combination of these; they shall be of a character fairly to test and determine the relative fitness and ability of candidates actually to perform the duties of the class to which they seek to be appointed, and any investigation of training and experience and any test of technical knowledge, manual skill, or physical fitness that, in the judgment of the Commission, serves to this end may be employed. (Section 26 (2)).

It will be noted that the Act contemplates much more than the mere elimination of unfit candidates. In many other Civil Service systems the examination prescribed is merely qualifying in nature. The Civil Service Act of Canada, however, goes much further and prescribes open competition, which, as stated in the recent Report of the Royal Commission on the British Civil Service, "was introduced (in Great Britain) in order to avoid the evils of patronage, and has worked well." The competitive system embodies two principles: first, that every citizen shall have the right to compete for positions in the service of his country; and second, that "the best shall serve the State."

The first step in the application of the competitive system, once the preliminary considerations of qualifications and salaries have been decided upon, is to advertise the fact that applications are invited and to provide for the filing of applications by persons interested. The employment field is selected in which it is most likely that the desired material will be secured, and all possible means of co-operation with educational institutions and technical or professional organizations are utilized to bring examinations to the attention of likely applicants. It may be noted that positions at the headquarters of the Government at Ottawa are open to residents of the entire Dominion, while local positions are filled from the locality in which the vacancy occurs.

The term "competitive examination" as used in civil service laws has been defined as any reasonable method of ascertaining relative merit and fitness, the best examination method being the one best suited to secure efficient public servants, and, as indicated in the second clause of the Act, any form of examination may be utilized which will produce the desired result. In examinations for clerical and lower grade positions, the factors include a test of the candidate's education, a test of his general intelligence, and, where necessary, a test of his knowledge of the technique involved in the duties of the position. In examination for special or technical positions, the following tests are included:

(1) Tests of educational qualifications, either by means of written papers or by sworn statements made by the applicants and verified by school diplomas, college degrees, etc.
(2) Tests of training and experience, made by means of the sworn statements of the applicants verified by investigation among previous employers.
(3) Technical tests, either written, practical or oral, along the lines of the duties to be performed.
(4) Oral tests to compare the personal qualifications of candidates for positions requiring supervisory ability, executive capacity, etc.
(5) Satisfactory evidence as to the honesty, reliability and trustworthiness of candidates for positions of a fiduciary or confidential nature.

When an examination is completed, the names of the successful candidates are listed in order of merit according to the marks which they have received, and appointments to the Service are then made in strict order from this list.

A special feature of the Act, however, to which attention must be directed, is the preference given to those qualified veterans who have become disabled as a result of their service and are on that account unfitted to resume their former avocations.

Appointees are on probation for the first six months of their service, during which time they may be rejected by the department if they do not prove suitable.

PROMOTION

The question of promotion in the Service is provided for by Section 49 of the Act, which reads:

> Promotion is a change from one class to another class with a higher maximum compensation, and vacancies shall be filled, as far as is consistent with the best interests of the Civil Service, by promotion.
>
> Promotion shall be made for merit by the Commission upon such examination, reports, tests, records, ratings or recommendations as the Commission may by regulation prescribe.

Three factors are considered in promotions: first, length of service; second, record of efficiency; and third, fitness for the vacant position. Written examinations are resorted to but seldom, and the Commission's selection is based almost entirely upon the reports given by departmental officers upon the efficiency and fitness of the candidates. The function of the Commission in connection with promotions, therefore, is not so much to conduct independent tests of the candidates' fitness for promotion as to ensure fair consideration for all qualified candidates on the basis of the reports of the officers who best know them and their work.

ORGANIZATION, CLASSIFICATION AND COMPENSATION

The Act makes certain definite provisions for the organization of Government departments, and for the classification and compensation of Civil Service positions. Under these provisions an organization or establishment has been set up for each department, and changes therein can be made only with the concurrence of the Minister of the department concerned and the Civil Service Commission, and with the approval of Treasury Board.

After a study of the various types of positions found in the Service, a standard classification has been established, specifying the qualifications required and the compensation justified for each class. Into these classes the individual positions in the Service have been allocated, and when new appointments are required a similar analysis is made, so that as far as possible the principle of equal pay for equal work is carried into effect.

TRANSFERS

The Act leaves the question of transfers between different positions or different departments fairly open, subject to a general supervision by the Commission to ensure that the persons transferrred are adequately qualified to perform the duties of the positions which they are to occupy.

LEAVE OF ABSENCE

The Act makes provision for four types of leave of absence with pay: (1) holiday or recreation leave; (2) sick leave; (3) leave for certain designated causes, such as illness in family, death in family, quarantine, etc., and (4) leave granted when an employee is being retired from the Service. In the majority of cases leave is granted by the deputy head of the department, subject to the general regulations established for the purpose.

The leave regulations now in effect were established with the intention of discouraging unjustified leave of absence and of providing adequate leave of absence, where leave was actually needed and justified, commensurate with the length of service of the employee. Generally speaking, the system has worked well, with the exception that there has been some abuse of the periods of short leave allowed for sickness.

SALARY INCREASES

The Act provides that yearly increases of salary within the limits set by the classification shall be granted for meritorious service and increased usefulness. Salary increases are granted by the deputy head of the department, and such supervision as the Commission exercises is practicaly only a matter of record.

SUSPENSION, DISMISSAL, RESIGNATION, AND SEPARATION FROM THE SERVICE

The power of temporary separation from the Service or suspension is left by the Act in the hands of the head of the department, or, in his absence, the deputy head.

Similarly, the power of dismissal is left in the hands of the Governor in Council.

In the case of separation from the Service following the abolition of a position, provision is made for the employees so separated, and he is also eligible, under the Civil Service Act, for preferential consideration for re-appointment to the Service in positions which he is qualified to fill.

The CHAIRMAN: Before any general questions are asked, I think probably it might be well if we followed along the lines we laid out.

By the Chairman:

Q. Dr. Roche, what is your view as to the present working of the Civil Service Act and its regulations? Is it satisfactory to the Commission, or is it otherwise?—A. Well, it can be improved, and if there are to be amendments to the Act, we, the Commissioners, have to make some suggestions, not of vital importance, but which would tend to improve the administration of the Act.

Q. Would you care to let us have those suggestions now?—A. Well, I can offer a few of them now, at any rate.

Q. All right, let us have them.—A. There are some, for instance, that were included, as Mr. Chevrier will remember, in the Malcolm Committee Report, which were never adopted by Parliament, that last provision I think that I read in connection with retirements from the service. At the present time, when a person is retiring from the service, he is allowed leave of absence based upon his length of service up to a maximum of six months. Now, during that six months that position cannot be filled.

By Mr. Chevrier:

Q. Would you mind saying, Doctor, why it cannot be filled?—A. By reason of the fact that two salaries for the one position cannot be paid. The Royal Commission that was appointed several years ago to inquire into the administration of the National Revenue department, made a recommendation, which I think was a very good one, and which that Department has been following since they passed the legislation, that is, instead of giving leave of absence, say for four or five or six months, as the case may be, that upon retiring from the service a gratuity be paid instantly equal to the amount that they would

be entitled to by way of leave of absence. If the Act was amended so as to provide that that would apply generally to all departments I think it would be of material benefit.

Mr. BOWMAN: Mr. Chairman, do you want to discuss those matters as we go along?

The CHAIRMAN: I was going to suggest, Mr. Bowman, that we get those routine details first.

The WITNESS: Well, now, there is another recommendation which we have to make which I think probably has led to a good deal of irritation in the past between departments and the Commission. Under the probationary section of the Act, section 24, when a person is appointed by the Civil Service Commission, the Deputy Minister has the privilege of rejecting that man during the period of probation, which is six months as a rule, but for good reasons it may be extended a further six months at the request of the department. Now, the Act as originally intended to operate by Parliament undoubtedly is to this effect, that a man should be given a trial in the position before he be rejected.

Owing to what I might almost term an unfortunate decision of the Justice department, to which the question was referred, that is, a ruling by the deputy minister of Justice of some years ago in answer to a query by a deputy minister of one of the departments, as to whether he had the power to reject a person who was certified to by the Commission before he would put him in the position for a trial, Mr. Newcombe, the then deputy minister of Justice replied in effect as follows: While Parliament undoubtedly intended a trial in the position, it is conceivable that there might arise a case where, for substantial reasons, a deputy minister would be justified in rejecting the Commission's nominee even before he would be placed on trial in a position. It was meant as the exceptional case but, unfortunately, the ruling has been abused. In discussing this matter with Mr. Newcombe's successor, he gave an illustration as to what Mr. Newcombe meant. For instance, he said, should it happen that after the Commission has issued its certificate for a certain appointee the department became possessed of information that this nominee of ours had a criminal record which was not brought to our attention and which, had it been brought to our attention originally, might have influenced us differently in connection with the appointment, the deputy could, in a case like that, reject; he said it would be right and proper to have the deputy minister reject him. We quite agree with that, if deputies would confine it to cases like that and make them the exception, we have no objection whatever; but unfortunately it has occured in numerous cases, that our nominee has been rejected by the Department before he would be placed in the position to see whether he could capably discharge the duties of the position or not, and if you will read section 24 you will see that when the nominee of the Commission is rejected the Department must notify the Commission giving its reasons or the cause of rejection; and that is further followed by subsection 3 of that section to this effect:

> The Commission shall then upon inquiry decide if the cause of rejection is sufficient to debar that man from occupying another position in the service.

In other words, should we blacklist him, if there is anything in the cause of rejection sufficient to blacklist him or not.

Unfortunately, the cause of rejection in so many instances has been given as "unsuitable." You can see, gentlemen, that we cannot decide whether that man should be blacklisted or not for other positions without going into the facts as to how he is unsuitable. Well, we have brought that to the attention of Departments, and we thought we ought to be supplied with substantial reasons in what manner this man is considered unsuitable.

Now, again, the Justice Department has stepped in and stated that the Commission is bound to accept any reason whatever, and the Minister is responsible to Parliament for the action of his deputy. Personally, I followed that decision up with the Deputy Minister of Justice, and I asked him how he could determine whether a man should be blacklisted or not by merely using the word "unsuitable," and his reply to me was to this effect, that undoubtedly the Department rejecting a nominee of the Commission should give the fullest possible information to the Commission in order to determine that point. I and my colleagues would like to see that particular section, the probationary section, of the Act clarified to this effect: That the Department should give a trial to the man who is certified to as qualified by the Commission, or, failing this, to give substantial reasons in detail why he is unfitted or unsuitable, without merely using the word "unsuitable."

Now, that is our suggestion. It remains with the Commission to decide as to the wisdom or advisability of insisting on being given control; but if you do not wish to go that far then I do think, in justice to the Commission and in justice to the candidate, we should be, as a Commission, informed fully as to the cause of rejection, because—speaking frankly amongst ourselves—you can readily see how a provision of that nature can be abused. For instance—and again I am speaking frankly—a man may be politically "unsuitable," and that is what I am sure has occurred in many cases. I do not hesitate to say so, because the reason I say that is this, wherever deputies have simply stated that the man is unsuitable and did not leave any ground for suspicion, they did tell us in what respect he was unsuitable. In connection with the Post Office, they will state a man is not suitable, or in another case, we believe he is not a *bona fide* resident. If they would give us their reasons, why we would accept them; but if they have substantial reasons, the Department generally give those reasons. There are a number of cases, however, where no reason whatever has been assigned, except this: "Man is rejected under section 24 as being unsuitable." I think you will see, gentlemen, my point, and the point of my colleagues, that we really think that that section of the Act ought to be clarified.

By Mr. Chevrier:

Q. Since 1924 has that occurred very often?—A. Well, during the last calendar year there have been 15 rejections using the word "unsuitable" without putting the man on the job at all.

By Mr. Bowman:

Q. How many did you say, doctor?—A. 15.

By Mr. Vallance:

Q. Without putting him on the job?—A. Without putting him on the job. I will qualify that. I think it is in one Department. I think there have been somewhere in the neighbourhood of 54 rejections altogether, not a very large number.

By Mr. Chevrier:

Q. That appears in the Commission's last report, does it not?—A. Yes, I think it does.

By the Chairman:

Q. Assuming that the Committee were minded to make the amendment which you have suggested, and the deputy head, for reasons, rejects an appointee of the Commission, the deputy head may consider the reasons he gives very substantial, the Commission may not consider them substantial. Who is to be

the arbiter?—A. Well, in that regard, I think that in the previous amendment it provided for a fair trial in all cases of probation, or for the cause of rejection to be set forth in detail and being concurred in by the Commission in order to be valid.

By Mr. Ernst:

Q. In other words, you are to be the final arbiter?—A. Yes.

By Mr. Chevrier:

Q. That must be a departure since 1924, because my recollection of it was they had to give him at least one day's trial and then reject him?—A. Oh, they are rejected without any trial. I think it even ante-dates 1924, when they rejected him without a trial. I know it was the deputy minister of one of the Departments that referred this question to the Justice Department, and I think the particular case was before 1924.

By Mr. Vallance:

Q. Doctor, in the case of the rejection of the 15 who did not get even a trial, the deputy would have to give some reason to the Commission, in general, just what were the reasons why these 15 were not allowed to enter the service, even on trial, after you had recommended them?—A. Well, only the words "unsuitable under section 24" were used.

Q. And how is "unsuitable" defined?—A. Well, that is in the air. We think it is very indefinite and open to abuse.

The CHAIRMAN: Might I suggest, in all the information which we have requested, we have asked for a statement for the period 1925 to 1931 inclusive. The Committee now instrut the Clerk to let us have statements of the rejections made for unsuitability of the years 1925 to 1931 inclusive so that the Committee may have a complete picture before it of the working of this section. Does that meet with the approval of the Committee?

Mr. BOWMAN: Are we going to get the balance of the suggestions and then take them up one by one?

The CHAIRMAN: Yes.

Mr. CHEVRIER: At a later date, I would like to have some more information on the subject of rejections.

Mr. FORAN: I think, Mr. Chairman, you have already asked the Departments for that.

The CHAIRMAN: All right, go ahead, Doctor.

The WITNESS: As to proposed amendments:

> Amend section 13 so as to enable permanent appointments at other than the minimum rate of salary in localities where the Commission finds the prevailing rate will not permit of appointments at the minimum.

That is to say, the Act at the present time provides that appointments to permanent position shall be made at the minimum salary. Usually, there is a minimum and a maximum in every class and intermediate rates, and at the present time we cannot appoint to permanent positions at other than the minimum rate. We can to temporary positions, but we cannot appoint any person to a permanent position at any other than the minimum rate. Now, there are localities and there are times in the process of filling positions throughout the Dominion of Canada where we cannot get the necessary help at the minimum rate. This amendment is to provide and authorize the Commission to appoint in such localities at the prevailing rates which will not exceed the maximum rate of the schedule, any rate between the minimum and the maximum. At present, as I say, we can do that in temporary appointments, but there is nothing

in the Act which will allow us to make permanent appointments at other than the minimum rates. That is one of the amendments, I understand, that was recommended by the Malcolm Committee.

The CHAIRMAN: The next?

The WITNESS:

> Amend section 13 to provide that in the case of a transfer or promotion of a person in the service. . .

By the Chairman:

Q. Excuse me, is that section 13?—A. Yes.

Q. It is the same section?—A. Yes:

> Amend section 13 to provide that in the case of a transfer or promotion of a person in the service to another position, the next higher rate in the range (if his present salary is not a rate in the new range), shall be granted only in the case of promotion.

At the present time the Act conflicts with our transfer regulations, that is, the section provides that a man may be appointed either by transfer or promotion, at any rate, higher than his then salary; but the transfer regulations provide that a man must be transferred only to a position of a similar nature and carrying the same salary. In other words, if in case of a transfer he is transferred to a position with a higher maximum that involves a promotion, and we desire to have that confined to promotion alone and not to transfer.

Q. Who makes the regulations?—A. The regulations are drafted by the Commission, after conference with the deputy heads and approval by the Governor in Council.

Q. Can not the same purpose be served here by amending the transfer regulations instead of amending the Act?—A. In amending the transfer regulations you would extend. We wish to restrict. You are suggesting that we should amend the transfer regulations, that is, that the Commission should amend the transfer regulations with the approval of the Governor in Council so as to allow them to get the transfer even at a higher salary. Well, that involves a promotion. We want to confine that to transfers only.

Q. You want to provide that a transfer may be made from one grade to another at the same salary as previously received?

Mr. CHEVRIER: Yes, without an increase in salary.

The CHAIRMAN: Well, at the same salary as previously received?

Mr. CHEVRIER: If you transfer from one branch into another branch, and the incumbent receives a higher salary in the new position than he received in his former position, it is a promotion?

The WITNESS: Yes.

By Mr. Chevrier:

Q. And you should not be able to do that because you would then be jumping over someone's head in the second class and that should not be done unless by competition.—A. In reading section 13 you will see the two words used:

> The rate of compensation of an employee upon appointment to a position in any class in the Civil Service shall be at the minimum rate prescribed for the class; provided, however, that when the appointee is already in the Civil Service in another position, the rate of compensation upon appointment to the new position either through transfer or promotion. . . .

We desire "transfer" cut out, and just confined to promotion, because the transfer regulations provide otherwise.

By Mr. Bowman:

Q. What section is that, Doctor?—A. Section 13.

By the Chairman:

Q. You suggest striking out the words "either through transfer or"?—A. Yes, confining it to promotion.

Q. You want the word "through" left in?—A. Yes.

By Mr. Chevrier:

Q. At present you are not making any transfers that do mean an increase in promotion?—A. No.

Q. It is just to make this harmonious with the regulations?—A. That is it. Amend section 14 to read as follows:—

> (3) The rate of compensation of an employee, who has not reached the maximum rate of compensation of the class in which he was serving, may, subject to the regulations of the Commission, be increased by the deputy head if he is satisfied that the employee has rendered meritorious service and has increased his usefulness in the service. Such increase shall be to the next higher rate for the class. The new rate shall become effectual at the next quarterly date after the said increase is granted by the deputy head, that is to say, either the first day of January, April, July, or October, provided, however, that no employee whose rate of compensation exceeds six hundred dollars per annum shall receive an increase under the provisions of this section more than once in each year.

Now, this section, as it stands at present, provides that annual increases may be granted permanent employees upon the recommendation of the deputy head approved by the commission. It is, however, considered that the amount of checking and clerical work necessitated by the submission of such recommendations to the Commission is exorbitant, and it is accordingly recommended that an amendment be made as stated in the preceding paragraph I have just read, in other words it is carrying out what we recommended and what the Malcolm Committee recommended, namely, that annual increases of salary be left entirely in the hands of the Department, avoiding unnecessary clerical work being performed by the Commission.

Amend section 15 (2) by substituting the word "maximum" for the word "minimum" in the second last line of the clause. This is a clerical error.

Mr. CHEVRIER: It does not read right.

The WITNESS: No, the word "minimum" is an error, probably due to a mistake in the printing of the Revised Statutes.

By the Chairman:

Q. Just a moment, Doctor, until I get the sense of that. That relates to one of your previous suggestions, does it not?—A. I stated that we wanted the permanent positions made the same as the temporary positions.

Q. Obviously that word should be "maximum".—A. Yes.

Q. The next, Doctor?—A. Amend section 21 (3) to read as follows:

> who have resided therein for a period of at least one year immediately before the first day of examination except where sufficient eligibles with such residential qualifications are not available.

This section provides that appointments to any local positions in any province shall, so far as practicable, be made from *bona fide* residents of such locality, and it is considered desirable that a definition of "*bona fide* residents", particularly as regards length of residence, should be provided. I think that

also was recommended by the Malcolm Committtee. Whether the members of the Committee consider a year is the proper period, there certainly should be some stipulated period of residence. Some have suggested six months, some have suggested a year. The reason we have recommended a year is that, in the first place, in the United States Act there is a similar provision, one year, and I think there is another reason that does not come to my mind at the moment.

By Mr. Chevrier:

Q. It should not be less than one year anyway?—A. It was one year suggested in the Malcolm Committee.

By the Chairman:

Q. The next, Doctor?—A. Amend section 21 (3) so that it shall not be necessary to give Dominion-wide publicity to competitions for appointments of a minor nature at Ottawa. That was also a recommendation of the Malcolm Committee.

At the present time we are supposed, under the Act, to throw all positions open to the Dominion when the position is located at Ottawa, but there are some positions where the salary is so small that no one would think it worth while coming to Ottawa, with the expense of moving here, and it was to allow the Commission, in consultation with the Departments to determine what positions should be Dominion-wide and what should be local.

Q. What would you call a minor position, a position paying a salary of $1,200 a year, or something of that kind?—A. Well, the first, sir, $60 monthly is the minimum, in the first grade, to $900 annually; then the second grade is $1,020 to $1,260, I think, or $1,320.

Q. In view of the fact, though, that all promotions under the principle of this Act are supposed to come from the lower grades to the higher, would not you be precluding the people of Canada, who are non-residents of the City of Ottawa, from getting into the Civil Service?—A. As I say, the positions to be decided that should not be advertised Dominion-wide would be positions that would be determined by the Commission in consultation with the Departments.

By Mr. Chevrier:

Q. By the Commission in consultation with the Departments?—A. Yes.

By the Chairman:

Q. It still would not remove the evil, would it?—A. I would not consider it an evil.

Mr. CHEVRIER: Make it a position the maximum of which shall not be over a certain sum.

Mr. ERNST: Personally, I know many many people in my own part of Canada who would be glad to come to Ottawa at $60 a month and who are thoroughly qualified, and I think they would feel they were deprived of their rights, if they did not have an opportunity of applying.

The CHAIRMAN: There is a general feeling throughout the country that the Civil Service is confined to the City of Ottawa.

The WITNESS: I think we can dispel that assertion.

The CHAIRMAN: I only mention it to show you the effect it would have.

Mr. VALLANCE: We have them here to-day from every province in Canada, but if this power were given to the Commission would it be possible for us to secure the same number that we have now?

The WITNESS: Well, as a matter of fact, I think there are mighty few coming to Ottawa at those lower salaries.

Mr. VALLANCE: Well, we have some who have ambitions to get into the public service.

By Mr. Chevrier:

Q. You remember the case of the museum helper, the salary was only $700 or $800 for the position, and it was advertised all over Canada, and I have forgotten now at what cost it was to the Commission to advertise, and then finally no one from outside here wanted it.

The WITNESS: Yes. If the Committee feels like adopting the amendment, it could be made so as to apply to the first grade, that is, to a certain stipulated maximum salary.

By Mr. Bowman:

Q. After all, what is the difference in the cost of advertising locally and the cost of advertising all over, is it not a matter of printing?—A. Well, it costs a good deal more to advertise a position generally throughout the Dominion, because we have to publish it in the Canada Gazette; we have a regular mailing list, and we have to give it as wide publicity as possible. It cost quite a bit more.

By Mr. Vallance:

Q. Do you not think you would have a regular barrage from the returned soldiers' organizations alone, if this Committee made any such suggestion as that?—A. All I have to go by is judging by the amount of clamour that is raised as the result of the evidence that was given on this point before the Malcolm Committee and the recommendation in favour of this, and I have not heard a complaint from the returned soldiers about that recommendation.

Mr. BOWMAN: It was not adopted.

Mr. ERNST: No, it was not adopted.

The WITNESS: No, but the returned soldiers were heard.

Mr. VALLANCE: The representations that are being made to those of us who are charged with the responsibility of sitting on this Committee, by that one group of citizens alone, would never permit me, as a member of the Committee, to allow that thing to go through. I could not go back and face the returned men in my constituency.

The CHAIRMAN: That is something, gentlemen, we will have to discuss on its merits.

The WITNESS: As I intimated before I started, these are just suggestions.

The CHAIRMAN: That is what we want—your suggestions. We want to have them irrespective of their popularity.

Mr. BOWMAN: Let us have some unpopular ones. Probably there may be some merit in them.

The CHAIRMAN: I decided there were so many lawyers on this Committee that they would drag out the unpopular ones.

Q. What is the next one, Doctor?—A. Amend section 33 (1) so no person shall, without the authority of the Governor-in-Council, be admitted to any examination unless he has been a resident of Canada for at least five years.

You will notice, gentlemen, that the present Act provides for a residence of three years.

By Mr. Chevrier:

Q. Extending it to 5 years rather than 3?—A. It will harmonize in the first place with the Naturalization Act.

Amend section 19 as amended, by adding the following words:

and any person appointed under this section shall not be again appointed except with the approval of the Civil Service Commission until a period of 30 days has elapsed from the date of the termination of the last employment.

Mr. BLAND: Excuse me, Mr. Chairman, that should be section 39.

The CHAIRMAN: That is the section that reads: "When employees are required on short notice for emergency work outside the City of Ottawa," is that the one?

The WITNESS: Yes, that is the one.

By Mr. Ernst:

Q. I suppose what you have in mind here is where a man is kept on in what is called emergency work, shifting from position to position?—A. That is one reason, but another is this, that when the 30 days are up they lay him off for a day and then take him on again fresh for another 30 days in the same position.

By the Chairman:

Q. Would you mind reading again that amendment that you proposed? —A. It reads:

and any person appointed under this section shall not be again appointed except with the approval of the Civil Service Commission, until a period of 30 days has elapsed from the date of the termination of the last employment.

Q. That would mean that when the 30-day period now provided for in the Act has expired, the appointed man can be re-appointed for a period of 30 days without the approval of the Commission?—A. That is it.

Q. That is what I say, a man can be re-appointed for a period of 30 days.

By Mr. Chevrier:

Q. Of course, it would not give other people a chance to get in; you would have to advertise again?—A. Well, Mr. Chevrier, the reason we are recommending this is: at the present time, in cases of emergency, the Departments have the privilege of putting a man on for 30 days, without coming to the Commission at all, but if they want to continue that man in the position beyond 30 days then they have to get the Civil Service certificate, and if they do not come to us they lay him off for one day and take him on again.

Q. If it was a question of emergency—and I do not want to argue it now—and they put him on for 30 days, then they would have to drop him for another 30 days before he could be re-appointed, and the emergency still exists, so that they would have to take on another man?—A. They could get our certificate and continue him beyond 30 days. We do that now as a matter of practice.

Q. But, don't you see, he would have to stay off for 30 days?—A. Of course, this may not be properly worded, but you see our object.

The CHAIRMAN: The amendment reads "except with the approval of the Civil Service Commission." With the Commission's approval they can do it.

By Mr. Laurin:

Q. Do you mean to say he could stay there for a year without your approval?—A. We do not know how long they stay there, because they do not advise us.

By Mr. Vallance:

Q. With the amendment suggested, which you wish brought into force, do you say that you then, as a Commissioner, would have the power to keep an individual on indefinitely?—A. We would not keep a man on indefinitely.

Q. No, but you would have the power to do it?—A. In other words, the Department have the responsibility of continuing that position.

Q. That may be subject to your approval. However, as Mr. Chevrier says, we won't argue it now.

By the Chairman:

Q. The next, Doctor?—A. It has been suggested to us, by one department in particular,—the Trade and Commerce Department—that we should have a little more elasticity in our holiday leave for their representatives in countries where climatic conditions are such that they require more than the three months, and if you read that section 46 (1):

> and may grant to each officer, clerk or other employee who has been less than one year in the service, leave of absence at the rate of one and one-half days for each completed month of continuous service prior to the commencement of the fiscal year; provided that trade commissioner or other officers in tropical countries may be granted a yearly leave of absence for a period not exceeding one calendar month in any one fiscal year if they have had at least one year in the Service.

The first part of this amendment is covered by an Order in Council passed in May, 1919, but it should be incorporated in the Act; the second part is a recommendation of the Department of Trade and Commerce.

Mr. CHEVRIER: I think it is a wise recommendation.

Mr. ERNST: The British Civil Service grants more extensive leave, that is, in tropical climates.

The CHAIRMAN: Yes, but after longer periods of service.

The WITNESS: Based on their period of service.

By the Chairman:

Q. What is the next?—A. Amend section 51 to include such officials of the Department as may be delegated by the minister or deputy minister of the Department to take the action in question, to be concurred in by the Deputy Minister.

In other words, it has been intimated to us that, say, there is a survey party out, and the chief of that party is in the field—he may be away out in an isolated portion of the country—at the present time, really he has not the power of suspension, if any of his employees have done anything deserving of suspension; he must await the action of the deputy minister; but the deputy wants that privilege extended to such officer or officers as may be designated by the deputy head. We say, however, to be concurred in by the deputy minister. At the present time the suspension is recommended by the deputy, but they want the power extended to their chief officials, certain chief officials, in such cases as the illustration I have just mentioned, and we have added "to be concurred in by the deputy minister."

Q. What is the next?—A. Amend section 61 so as to provide for the approval by the Governor in Council of matters affecting classification, salaries, etc., during the recess of the Senate and House of Commons.

I may say that this was provided in the Act of 1918, but was deleted in the revision of the Statutes in 1927, so that the Governor in Council between sessions of Parliament has no power whatever to deal with such matters as

they have power at present to deal with similar matters in all other Departments of the Government, and this is to restore the provision of the Act, which was in the 1918 Act and was deleted in the Revised Statutes of 1927.

Q. That is in relation to subsection 2 you are speaking?—A. Yes. It really involves the whole section.

Mr. CHEVRIER: I understand that the officers of the House want to be heard on certain points. Does that come from the Commission or is that a representation made to you?

The WITNESS: We have had cases come up.

Mr. CHEVRIER: It has come up anyway.

By the Chairman:

Q. What is it you suggest?—A. Under the 1918 Act, between the sessions of Parliament, the Governor in Council had the privilege and power of dealing with those matters.

Q. Haven't they now?—A. They haven't now, in connection with the members of the House of Commons—

By Mr. Chevrier:

Q. You mean the members of the staff?—A. Yes, the members of the staff.

Q. Not the members of Parliament?—A. No, no.

By the Chairman:

Q. Is not the power under the Act:

> With respect to the officers, clerks and employees of the Library of Parliament, and to such other officers, clerks and employees as are under the joint control of both Houses of Parliament, such action shall be taken by both Houses of Parliament by resolution, or if such action is required during the recess of Parliament, by the Governor in Council, subject to ratification by the Senate, House of Commons, or both Houses, as the case may be, at the next ensuing session.

I do not get the point of the amendment.

Mr. VALLANCE: By resolution of both Houses.

The CHAIRMAN: It can be done by the Governor in Council during the recess. All I am trying to do is to try and appreciate the suggested amendment and I cannot get it in my head.

Mr. VALLANCE: It does not mention House of Commons and Senate.

The CHAIRMAN: "and to such other officers, clerks and employees as are under the joint control of both Houses of Parliament." Surely that applies?

The WITNESS: I see on closer reading that the first section states:—

> and wherever any action is authorized or directed to be taken by the Governor in Council or by order in council, such action with respect to such officers, clerks and employees of the Senate or the House of Commons, shall be taken by the Senate or the House of Commons, as the case may be, by resolution.

Well, now, except in connection with the Library, the Governor in Council has no present authority in connection with the officers of the two Houses of Parliament.

Q. You want section 61 (1) amended so as to provide similar powers to be exercised by the Governor in Council as are now exercisable under subsection 2 with respect to the employees of the Library?—A. Yes. Well, now, these were the principal suggested amendments that the Commissioners had decided upon but if you will pardon me I would like to make a suggestion that I think is, in

fairness to the Commission, necessary. It does not involve any Act of Parliament, but a recommendation from this Committee would probably carry out what I consider is only fair.

As you know, gentlemen, at the present time the Commission is an independent body and is not a part of any Department, of any Minister. By practice the Secretary of State handles our estimates in the House, and he is the officer through whom we report to Council, but he has no statutory authority over us at all. Therefore, no matter what charges are made in the House of Commons against the Commission, there is no Minister of the Crown who looks upon it as his business to get up and defend the Commission as he would, if it was a portion of his own Department. If you will pardon me relating a conversation I had with the ex-Prime Minister—in discussing this matter with the Hon. Mr. Mackenzie King—I told him that in fairness to the Commission I thought there should be some Minister of his delegated for the express purpose, that is, including this purpose, of replying to whatever accusations are made against the Commission, that he would make it his business to present to Parliament the Commission's side of the case, otherwise there would go out to the country a one-sided presentation with nobody in the House, or no Minister of the Crown, presenting the Commission's side of the case at all.

In the days of the Union Government, the Hon. Mr. MacLean, the present Judge MacLean, of the Exchequer Court, was delegated by Sir Robert Borden for this express purpose. He, in fact, was called the father of this Act, and by way of illustration I may tell you that on one occasion one of the members rose in Parliament and made a very strong attack upon the Commission, made very serious accusations against them. Now, if that had been allowed to go to the country unchallenged, it would have placed the Commission in a very unenviable position. Mr. MacLean came down next day, sat in at our Board meeting, where our files were available, took the Hansard and went over it item by item, got his brief ready and presented it to Parliament in such a judicial manner—in accordance with his well-known qualifications—and placed the Commission in such a favourable light, that his presentation won enconiums from all parties in the House. Even the gentleman who made the attack came over and congratulated him. Since that time we have had no Minister, and in conversation with the ex-Prime Minister, Mr. Mackenzie King, he said I think that is a good suggestion. He even went so far as to ask me which one of his Ministers I thought the best man for the position. I told him any man who was in sympathy with the service and who would make it his business to get up and present the Commission's side of the case. As the result of that he did name the Hon. Mr. Robb. Mr. Robb at the time was Minister of Immigration, and in talking about Mr. Robb, I said Mr. Robb would be an excellent gentleman, if he would just interest himself in the matter. Unfortunately for the Commission, he was transferred to the Finance Department, and it was impossible for him to act, and we have had no minister delegated for this purpose.

I think the members of this Committee will see the force of the argument, that it is not quite right to have attacks made, especially attacks without complete information, and in justice to the Commission I think that it would be a wise step to have whoever is Prime Minister delegate one of his ministers who is sympathetically inclined to the Commission, to the merit system, and wants it carried out in all perfection, if it can be done. I think it would be wise to have that procedure adopted.

By Mr. Chevrier:

Q. I am quite satisfied with that idea, Dr. Roche, but the question is to what extent would that encourage—I am not using the word in any offensive way—the non-responsibility of the Commission, because the Commission to-day is responsible to nobody?—A. We are responsible to Parliament.

Q. But there is no minister to whom it is responsible. Just how far would you grant that power to this minister, just to defend you, to take up cases of attack? I am quite in sympathy with your idea, but you would have to limit it to something or else go the whole way.

By the Chairman:

Q. In view of the fact that we have a responsible system of government, any utterance made by a minister is regarded by the public as defending something which is his own responsibility, and you ask him to defend something over which he has no control, in so far as the public is concerned he would be taking responsibility for some matter in respect to which he had no power to exercise any discretion or jurisdiction?—A. Well, it was because of the Commission being an independent Commission that I did not introduce it as a statutory recommendation, but I did think that having had the procedure adopted by one government, and no outcry against it—in fact it was proved that it would be only fair to the Commission—the minister does not necessarily have to go out of his way to defend the Commission, all he has to do is to present the Commission's side of the case.

By Mr. Ernst:

Q. I have no doubt but that if the Commission is attacked in the House, you can find lots of doughty champions, provided you can give them a worthy cause. I do not think it should be restricted to a minister. There are lots of members who would act as spokesmen for the Commission, many members who are in sympathy with a Civil Service Commission?—A. On that point, supposing a member of parliament gets up and makes a severe onslaught on the Commission and the Commission approaches another member of Parliament to get up and present their side of the case, at once we would be accused of playing politics undoubtedly; but there is this about it—and you had an example in the House the other day—a certain member of Parliament—and we always like to see them get down to specific details, but as long as they deal in generalities, or in the abstract, they will be replied to in the same vein. However, when they say here is an illustration of a certain appointment, well, members of Parliament who come to the Commission for information will be furnished with that information.

By the Chairman:

Q. That is a change of policy on the part of the Commission in the last two years?—A. I said the members of Parliament are welcome to whatever information we have.

Q. Was there not an instance, within the last two years, in which a member requested access to a file in connection with a young lady who had been taken over temporarily from a non-revenue post office and the Commission refused the member access to that file and the member had to publish an order for return on the order paper and have it passed by the House to get access to the file?—A. I know what you are referring to. You are speaking of between sessions, when members come down and ask for a file.

Q. No, that was during a session?—A. Even during a session, it is possible for a member to get it in the ordinary way, but if any member of Parliament comes down and asks for information, while possibly we will not hand over the file to him; at any rate, we will give him the information he is seeking.

Q. How else is he to get the information? Dr. Roche was making a point here that information was available to all members of Parliament at any time. I say there must have been a change of policy on the part of the Commission within the last two years?—A. Well, I think that the gentleman who was seeking that information got it.

The CHAIRMAN: Why, of course, by order of the House.

By Mr. Vallance:

Q. Let me ask a question. How many Acts of Parliament that you know of are under the administration of a Commission who are not represented in the House by a minister? You have the responsibility of administering the Civil Service Act, have you not?—A. Yes.

Q. Well, now, there is the Board of Railway Commissioners who are responsible for the administration of the Railway Act. They have access to the House through the Minister of Railways. We have the Grain Commission that has access to the House through the Minister of Trade and Commerce. Are there any Commissions in operation to-day in Canada, outside of your own Commission, who have not speaking for them on the floor of the House a responsible minister of the Crown?—A. I think the Civil Service Commission is the only one.

Mr. CHEVRIER: That is because it is placed on a different footing altogether. It is because the Commission was supposed to be absolutely independent.

Mr. ERNST: Non-partisan.

Mr. VALLANCE: They are all that.

The WITNESS: I do not think it would destroy the independence of the Commission to have a minister of the Crown get up and present their side of the case.

Mr. CHEVRIER: It is a question of how far you would go, and a question of responsibility. The Commission has been very very jealous of its responsibility and if you put a minister in charge you are, to a certain extent, drawing away from the responsibility of the Civil Service Commission—just to what extent, I am not prepared to say.

Mr. ERNST: It opens the door to a certain measure of domination by a minister.

The WITNESS: You surely would not prefer the present system, namely, of having accusations made, not founded on fact, and seeing them go out to the country without the Commission being defended.

Mr. CHEVRIER: There may be some remedy. Surely they ought not to be left in that way.

Mr. VALLANCE: Mr. Chairman, if Dr. Roche is about through, I would like to suggest that because of the importance of the position held by Dr. Roche and also because of the importance of the information that he has given us, that the Committee should have the privilege of perusing the evidence given by him before we attempt to investigate or even discuss what he has suggested. He has given us such a volume of information that it is utterly impossible for the Committee to take it all down and follow it intelligently, and I think if we could have a copy of his evidence we would be in a much better position to discuss the different matters with Dr. Roche, or any of the Commissioners.

The CHAIRMAN: Mr. Vallance, I did not understand it to be the intention of the Committee not to hear from the Civil Service Commissioners again. Our idea was merely to have them outline to us generally what the situation was and what amendments they would suggest, then I thought the Committee might go on with some other matters if they so desired, and that at any time if the Civil Service Commissioners, or any of them, were asked they would be glad to come back, or the Committee would be glad to have them back on their own request, if matters developed before the Committee to which they desired to make reply or observation.

By the Chairman:

Q. One member of the committee, Dr. Roche, has asked me to deal with section 19. It reads:—

> Save as otherwise provided in this Act or in any regulation made hereunder, neither the Governor in Council nor any minister, officer of the Crown, board or commission, shall have power to appoint or promote any employee to a position in the Civil Service.

I think the member desired to know if the Commission suggested any amendment of any kind in connection with that section.

Mr. LAURIN: Or if he has received any suggestion about that section?

By the Chairman:

Q. Or if the Commission has received any suggestion as to amendment of that clause?—A. No, I do not think so. It is not amongst those that the Commissioners have discussed and I do not know that any representations have been made to the Commission.

By Mr. Laurin:

Q. Is it the intention of the Commission to submit an amendment to this clause?—A. We have not thus far considered it at all.

By Mr. Chevrier:

Q. Has there been any suggestion that this clause 19 should be made wider? —A. Not to us, not to the Commission.

By the Chairman:

Q. Are there any other suggestions, Dr. Roche, of your own?—A. Well, there is what, in my opinion, is quite an important suggestion. By way of illustration,—the appointment of rural postmasters. The Post Office Inspector visits the locality, having notified all the applicants he would be there on a certain day. He gives them an oral interview, fills out a questionnaire, makes the report through his superior officer, the district superintendent; that report goes into the Post Office Department and the Post Office Department, sooner or later, sends it to the Civil Service Commission for action. The original procedure was that the Post Office Inspector sent in his report direct to the Commission. As a matter of fact, whenever there was a vacancy, the Commission used to advertise the position, but, because of representations made to the Commission by the Post Office Department, they thought it would shorten up the delays and recommended that they themselves, the Department, would, as soon as a postiion would become vacant, advertise it and have the report sent in to the Department. As a matter of fact, our experience is that there have been more delays; far, far more delays by reason of the present procedure than under the previous procedure, and while it does not entail anything except procedure—it does not require any amendment to the Act—I would bring to this Committee the consideration of reverting to the former practice, that is, letting the Department advertise the position. We believe that would shorten up the delays. They do not have to notify us as to the vacancy, but let the district superintendent send in his report to the Commission, sending a copy of the report to the Department. That ought to meet all legitimate ends of both the Commission and the Department for this reason: the Department will have time to make any comments, or any representations they desire upon their officers' report, but, as it is at present, it is being abused. I can relate instances where delays in the report of the district superintendent in reaching us have extended as long as six, eight, ten and twelve months. In the meantime, the Commission is blamed for the

delay and the candidates are awaiting notification saying: "We have applied for this position months ago but have not heard from the Commission, what kind of Commission is this anyhow?" We are standing the brunt, and all the while the district superintendent's report is lying in abeyance in the Department, and has been for months. I don't think that is good administration.

By Mr. Chevrier:

Q. Have you a large number of complaints like that, Doctor?—A. Yes, quite a number of complaints.

Q. That is what you are referring to there in your report?—A. Yes.

By Mr. Laurin:

Q. According to your experience, has it lasted for many years?—A. Yes, it has lasted for quite a few years.

By Mr. Bowman:

Q. The system at the present time leaves it pretty well up to the inspector, does it not?—A. Well, of course the inspector has not anything to do with the holding of the report. The report is generally held in the Department concerned.

Q. I mean, the inspector is sent out to investigate the position of the different applicants, to look them over?—A. Oh, yes.

Q. And his report really settles, pretty well settles the appointment?—A. Well, of course, under the Act as at present the Commission has the authority of commandeering any officer of any Department for its own purposes, and he is our officer for that purpose. He goes out and makes the oral interview. He has a standard form of questions, and he has, as well, the applicants all before him, and he has the sworn statements of the applicants setting forth their whole history, their experience, their education, their rating in accordance with merit, and the inspector certifies that these ratings have been given solely on merit and without regard to favoritism, either personal or political.

Q. Quite true, but after all it is up to the individual judgment of that inspector to say how he should be placed on the list in accordance with his particular viewpoint.—A. Well, it has to be someone and he is our officer, and oftentimes in our examinations in Ottawa here we have to take our officer's recommendation when they examine a man. He is our officer. In addition I might say that that inspector places them in order of merit, from a post office standpoint. It does not necessarily mean that the man placed at the head of the list is going to get the position because, as a matter of fact, the person who has headed the list, from a post office standpoint, may be a civilian, whereas there is a returned soldier rated below that person, perhaps fourth or fifth; he has the required qualifications and, therefore, under the Act is entitled to go to the head of the list.

By Mr. Vallance:

Q. And the greater his disability the greater his chances are?—A. Yes.

Q. What you are objecting to, Doctor, is that once you send that officer out to investigate the candidates for a certain position, in spite of the fact that you say he is your officer, he does not report to you but reports to the Department and then the Department sends the report to you? What you are objecting to is the fact that the Department have been holding up those reports?—A. Yes.

By Mr. Chevrier:

Q. Cannot you force him to make his report to you?—A. Well, I don't know how we can force them.

Q. That has been discussed may a time?—A. Yes.

By the Chairman:

Q. Any other suggestions, Dr. Roche?—A. There is another suggestion. Mr. Chevrier will remember that I made at the time of the Malcolm Committee Report, which I think was not adopted, although pretty nearly, and it is this: that where a postmaster, for instance, dies, his widow has been, while he was alive, his assistant. The two have had the post office for years.

Q. This is in non-revenue post offices?—A. No, this is revenue post offices, and when, of course, the vacancy occurs the whole community, perhaps, are in favour of the widow succeeding that man. I am just indicating the widow by way of illustration; it may be another person who has been the assistant in that office who has no connection with the family; but he or she has had the experience. Unfortunately they are not civil servants under the interpretation of the Act. They were appointed by the postmaster and were paid by him and, therefore, they cannot be promoted. We have had numerous instances where the whole community were opposed to us advertising that position, and a returned soldier came in and replaced the person whom, on compassionate grounds, the whole community wanted, and who also had the experience. It is worthy of consideration by this Committee. It is something that personally I have been in favour of for quite a few years, and it was recommended to the Malcolm Committee.

By Mr. Laurin:

Q. Are you still ready to recommend it?—A. I am, yes.

By Mr. Ernst:

Q. What amendment could you draft which would meet such a situation? —A. Amend the Act to give power to promote an assistant postmaster without competition.

By Mr. Bowman:

Q. Which would, of course, be entirely contrary to the provisions of the Act, as it is at the present time?—A. It would, in this particular instance.

By Mr. Vallance:

Q. Suppose, for instance, a postmaster is contemplating retirement, we will say for any reason or any cause, and he says, "Well, I have a young brother, or someone else, who I would like to see get this post office, why cannot I take him on for a period of time and get him acquainted with the work of the office, and because of the new section of the Act he will automatically move into the postmastership?"—A. I think that could be guarded against. I do not think we would allow any case that would be a glaring case like that to come under the interpretation of the proposed amendment.

By Mr. Woodsworth:

Q. Could not some different system of examination be devised? I can well imagine a widow who is a very efficient postmistress who might not, in middle life, be prepared to qualify by means of written examination.

Mr. Ernst: They do not write examinations anyway.

By Mr. Woodsworth:

Q. Would it be simply an oral examination?—A. Given by the inspector as at present.

By Mr. Ernst:

Q. It would involve doing away with returned soldiers' preference to meet certain compassionate cases?—A. Not entirely on compassionate grounds, but on the ground of post office experience as well.

By Mr. Bowman:

Q. It would, however, be impossible to lay down a rule which would apply to the cases which you have in mind, that is, in other words, each case would have to be dealt with on its merits?—A. Each case would have to be dealt with on its merits, and only after the inspector would report that the person was qualified, and, of course, they won't have any difficulty about that. The chances are she has been a capable postmistress, she has been doing the work although her husband was nominally the postmaster. She was well qualified.

Q. What ever amendment would be appropriate, it would mean that, after all, the final judgment would be up to the Commission as to whether or not the appointment would be filled in the way you suggest?—A. Yes, and then you could put a time limit, as the Post Office Act to-day does, as the Civil Service Act does. Since the Malcolm Committee reported, the Post Office Department has introduced an amendment to the Act providing that where a staff office is being converted into a city office those who have been on that staff office, notwithstanding they were appointed by the postmaster, and notwithstanding they may have passed beyond the age limit, are made eligible for transfer, without competition, to the city office staff, if they have put in two years, one year of which must have been in that office,—if they have had two years' service in the post office.

The CHAIRMAN: The Commission now has the discretion under section 23 of the Act, in the cases just outlined by Dr. Roche.

Mr. BOWMAN: Yes, I can understand that all right. I can quite appreciate the advisability of some section there, but I am afraid an amendment, such as suggested, is really throwing it pretty wide open.

The WITNESS: It would have to be drafted very carefully.

Mr. ERNST: It would have to be applied more carefully.

By Mr. Vallance:

Q. Take in Western Canada, we have many post offices that are in, probably, the general store, and in that general store there are probably six or seven people working and all of them, at some time or other, may be assisting in the post office.—A. This would apply to the sworn assistant. There is in every office a sworn assistant.

Q. So he would be the only individual then who would come under this proposition?—A. Yes.

By the Chairman:

Q. Any other suggestions, Doctor?—A. I think not, just at present.

The CHAIRMAN: Are there any questions that any members of the Committee would like to ask Dr. Roche, on this occasion?

Mr. CHEVRIER: Not at present. Following up what Mr. Vallance said a moment ago, I would want to read the evidence over and see the effect of the suggested amendments. That was the practice I thought we had adopted.

By Mr. Ernst:

Q. I would like to ask a question just as to the system, in order that I may get the system more clearly in my own head. You have rather an intricate system of weights in determining the qualifications?—A. Are you referring to competition?

Q. Yes. Suppose you advertise a position—I haven't any particular position in mind—and you have 10 applicants, could you tell the Committee just what gauges you use in measuring the qualifications of those applicants?—A. Well, now, take the case of promotions as an instance here, promotions are largely in the hands of the deputy minister.

Q. I am thinking of appointments rather than of promotions?—A. Well, in the case of promotions there are weights given, first seniority, according to their length of service in the Department there is a weight of 2 attaching to that; then there is efficiency in their present position, to which there is a weight of 3 given, and the third requisite is fitness for the new position, which also can only be determined by their superior officers and to which there is a weight of 5; 2, 3 and 5; or 10 in all. Now, these are the weights that determine. That is an illustration in connection with what we do —

Q. What about new appointments, let us say, to the Custom Service, as a Customs officer? Just describe what would be done by the Commission. You get your applications, what test would you put them through?—A. Well, there are certain tests applied where the salary is over $600. There is a written examination and there is an oral examination, and, if my memory serves me, there is a rating on education and experience of 3. and the weight for education and experience,—the relative weights are in conjunction with the oral interview 3-7. Below $600, some collectors of customs are rated by oral interview and a rating on education and experience to which a similar weight is given.

By the Chairman:

Q. Just before you leave that, is it possible that a man who would obtain the highest mark on a written examination would be rated so much higher by the oral examiner, and get so much higher rating for education and experience, that a person who only ranked fifth, we will say, or sixth or tenth, on the written examination might still be chosen for the position— —A. Where there is a written examination,—of course there are some examinations which are entirely oral and a rating on education and experience, which I say is 3, and a weight of 3 given on education and experience and a weight of 7 to the oral; but in connection with the written examination there is a weight for an excise examiner, for instance, a weight of 6, sufficient knowledge of arithmetic, report making, office practice, good hand-writing, accuracy, ability to follow instructions; there is the oral examination to which a weight of 4 is given. Now, this oral examination is given by a department officer, usually the district inspector or the collector of customs, and sometimes combined, and wherever there is an officer of the Commission sitting in with him, and a representative of the Legion wherever there are returned soldier applicants. They give the oral interview. Where we have no officer, we accept the report of the oral interview given by the department officer.

Q. Who gives the rating for education and experience?—A. The Commission.

Q. To come back to my question, Doctor, is it not a fact that in cases men who have obtained the highest mark on the written examination have not been appointed and someone who obtained a lesser mark has been appointed because the appointee obtained a higher weight on the oral examination and rating for education and experience?—A. That is quite possible and I have no doubt it has happened, yes.

By Mr. Ernst:

Q. May I ask one supplementary question, Dr. Roche, and then I have finished. Do you have any character tests, or references, to determine whether a man is of good or bad character?—A. Yes. There is no person appointed to the public service who cannot satisfy the Commission as to his character and habits.

Q. Satisfy you how, by references?—A. By references, yes. As a rule they generally go to men who are outstanding in the community, including members of Parliament.

Q. I have discovered that,—the members of Parliament supporting the government?—A. We don't think they are confined to them at all. I may say this, that in the Civil Service Act of the United States there is a section debarring any Representative of Congress from making any recommendations on behalf of any candidate save and except for character and habits.

Q. The reason I am asking, in other positions you have the applicants submit certain names as references. Do you make it a practice to communicate with those referees?—A. Yes, privately, telling them that whatever they have to state will be considered as confidential. We satisfy ourselves the same as a guarantee company would in bonding a man.

By the Chairman:

Q. Can you understand, in view of that system which you have just outlined, how a man who was not a reputable character could secure an appointment to the Civil Service?—A. Oh, I have no doubt whatever that in some instances it is not a difficult matter at all to get references as to character, but I do not think that kind of thing would be widespread.

Q. But if you investigated those references— —A. We frequently do.

Q. I thought you said you always did?—A. We always investigate references as to character.

Q. That is, you communicate or get in touch with the people who are named as references, so you in some way investigate in some cases?—A. Yes, by way of correspondence. And, of course, we ask for the names of three previous employers and we get in touch with those as well.

Q. So that if I were to pick out one or two cases where people got appointments who had been previously convicted of criminal offences or something of that kind, and I go to the files in the Civil Service Commission, I will find that the Civil Service Commission had communicated with the persons given as references, and that those persons either concealed from the Civil Service Commission that they had knowledge of, or failed to disclose that there had been such previous convictions?—A. Well, in such cases, of course, there is this about it; all appointments are probationary and if anything comes to light subsequently, during the probationary period, the Department have the privilege of rejecting.

Q. That may be, but I am only staying with the point. You made the statement here that in cases of appointment their references were investigated before they were appointed?—A. Well, investigated in the manner in which I indicated, namely, that we would correspond with those clergymen, or members of the town council or members of Parliament and ask them to fill in a certain questionnaire.

Q. So that I say if I find, or there comes before this Committee, any cases in which appointments have been made, we can rely upon it that the files of the Commission will disclose that there was inquiry of those referees? —A. And the representations that we got from the references convinced us that their character and habits were all right.

Q. In other words, the Commission were deceived by someone?—A. That is quite possible.

Mr. Ernst: I have in mind a particular case that prompted my question. I do not want to mention any names—a case in which an appointment was made of a man who had given three references, one of whom had left the community years before, one of whom was dead, and the third did not know the appointee even by sight, but, within the last six months, the Commission issued a certificate to that man. He was living under circumstances which rendered him abhorrent to the community, and it had no particular significance, I can assure you, because I was put in the unhappy position of having to communicate with the Department concerned. The Department, in turn, communicated with the Commission.

and the Commission then investigated his character and revoked the certificate and granted the appointment to another man. I am quite confident there could not have been any investigation of his character previously.

The WITNESS: As I say, this system is capable of being abused, as any system would be. You cannot get any system that is perfect. I might just state this, on the other hand, that we issued our certificate for a certain gentleman who had been condemned to the penitentiary, unknown to us at the time, before he enlisted. He was let out, I think, on probation, for the express purpose of allowing him, at his request, to be enlisted. He had a good military record. He came back and took the Civil Service examination. He came out on our eligible list as successful and he was assigned to a position. We were then quite unaware of his previous conviction. Not long afterwards, the Minister of the Department concerned learned of this conviction and fired the man. Now, there was nobody more than the Civil Service Commission held up to bitter approbrium by the Toronto papers—because he was a man up in the western part of Ontario —"the cold blooded action of the Commission." They were blaming us for dismissing the man, and we had nothing whatever to do with it. The Department learned of his conviction and discharged the man; whereas, when it was explained to us, we felt that even although the man had been convicted of a certain crime, he had given service to the country, and why should the government, above all others, debar that man from earning an honest livelihood.

Mr. ERNST: That is a different case entirely.

The CHAIRMAN: I think we would all agree with you that the mere fact that a man had a previous conviction should not be a bar to his appointment as a civil servant. He ought to be given a chance to better himself.

Mr. ERNST: The point we are interested in is, is your system efficient, inasmuch as you have knowledge of these things, before you exercise your discretion and make your appointment?

By Mr. Vallance:

Q. Before you answer that, do you suggest to an applicant to whom he should go for his references?—A. Assuredly not.

Q. Then you do not investigate the references given?—A. Before a man is made permanent, we communicate with at least three references and we get their private confidential opinion; and, sometimes, the opinion has not been favourable and we have not adopted the man as successful, we have not appointed him.

By Mr. Woodsworth:

Q. Why not do that before the appointment?—A. That is before the permanent appointment.

By the Chairman:

Q. Mr. Woodsworth means before any appointment.—A. You mean in reference to temporary appointments?

By Mr. Ernst:

Q. Before issuing any certificate?—A. Our certificate is only issued,—a man may be put on temporarily, he may be in that position temporarily for six months or a year, then he is recommended by the department for permanent appointment.

By Mr. Woodsworth:

Q. At the time he makes application, why not get in touch at that stage?—A. We do get in touch with them if they are successful at the examination.

By Mr. Ernst:

Q. In the case I have in mind, you issued a certificate. Why could not the investigation be made prior to granting the man that certificate?—A. Well, we had not issued our permanent certificate for that man and would not have done so, until we were satisfied as to his character.

Mr. ERNST: Why issue a certificate at all?

Mr. CHEVRIER: The issuing of a certificate confirms the man in the permanent position. But I think the point is well taken by Mr. Ernst.

Q. Why not investigate the man before he is allowed to have a probationary trial?—A. Well, of course, you can find out after he has been declared successful.

Mr. CHEVRIER: Well, no, not exactly. The examination takes place and quite a large number are successful. It would be quite a lot of trouble to go and investigate every person who has been successful, but, once a man has been declared successful, why not investigate his moral character and habits before he is even given the usual probationary trial?—A. Mr. Chevrier, candidly, as you will realize, I cannot speak with as much confidence as to the details of these matters as our examiners can, and I am not at all sure that the very practice you are suggesting is not followed out at the present time.

Q. That is the point Mr. Ernst makes.—A. If Mr. Ernst would privately give me that particular instance I would give him at least the reasons why the certificate was issued to this man.

Mr. ERNST: I am quite willing to give the particular instance privately, and I would like to have the full particulars later.

By Mr. Laurin:

Q. Doctor, for a promotion, when you have a recommendation within the department, do you believe in the rating system?—A. Certainly, yes.

Q. Is it always fair to the employee?—A. I would say that, with an unfair or prejudiced chief, it is just possible not to be absolutely perfect. But the best evidence that it is working quite well is the fact that all the civil servants' organizations are in favour now of the maintenance of the promotional system as it at present exists.

By Mr. Ernst:

Q. You mean the present system of granting ratings?—A. Yes.

The CHAIRMAN: I would like to make it clear, Doctor, now that you make that statement, that they go out and declare so publicy in their organizations—but they go around and see their member of Parliament, privately, and claim that they can get the benefits of promotion, only if they can obtain the help or the influence, or, if you prefer, enough "push" from the member of the riding in which they live.

Mr. CHEVRIER: That has been the practice quite generally, it is true. But the principle of promotion is that it must be on merit. Then, as I understand it, the chief of the branch, or whoever is responsible for the minimum ratings within the particular department, makes his ratings. It then goes to the Civil Service Commission and, if there is anything on the surtace of the recommendation, then I suppose that when details have been attended to, the Civil Service Commission approves the promotion. Now that was threshed out at the last Committee. I remember asking Commissioner LaRochelle about it. He said, "Well, if we get a complaint, if somebody brings to our attention that so and so has been rated higher than he should have been, or somebody is dissatisfied, and complains to the Commission that there is something wrong about this rating, if it is brought

to our attention. then we go into it. Unless something is brought to our attention, we take it at its face value." Now, my objection to that is that I feel there should be some further investigation by the Civil Service Commission. If the system is going to be retained with these ratings given then they should go into it, not take it blandly from the department with a mere cursory investigation to show that it is satisfactory. I have cases where the departmental recommendation was unjust, and after this Committee had looked into it they did not blame the Civil Service Commission very much.

The CHAIRMAN: Do you want an expression of opinion from Dr. Roche on that?

Mr. CHEVRIER: Yes, I think so.

Hon. Mr. ROCHE: The complaints that the members of Parliament get, as referred to by the Chairman, I have no doubt would be allied with the complaints of disappointed candidates, those who have sent in applications for promotion and did not succeed. Our experience is that those who put up the biggest squeal are generally the most inferior employees. Upon the whole, the system has been working acceptably. We put these people on their honour, they are on record, it is a proper record, of making promotions, so the deputy minister could not step in and say there is someone I am going to promote, and he could not take anybody else into consideration at all with the result that a certain individual might be promoted and that would not be fair to the others. Now it is advertised in the department as a promotion, as a departmental promotion, and the chief of the branch must go on record certifying that he is giving these ratings purely on merit. We must depend upon the investigator and on the whole I think, to give the officers justice, they have done very good work.

By Mr. Bowman:

Q. Of course, Doctor, your system itself precludes, or almost precludes, I would say, any rival competitor from making any complaint. Because, after all, he has to get the approval of his deputy minister before he does get a promotion and due to this, that he has to get the approval of his deputy minister and if he is making complaints on the success of some rival in a previous competition his chances for ultimate promotion certainly would not be very bright? —A. Would not that argument apply just as fairly, if promotions were left entirely in the hands of the departments?

Q. Quite true. The point before the Committee is which is better at the present time?—A. The way I look upon it is, that in the multitude of promotions that have been made there have been so comparatively few objections taken that I think the system is working admirably.

Mr. CHEVRIER: In order to meet that objection, how would you, Mr. Bowman, suggest that promotions be made?

Mr. BOWMAN: I am not in a position to suggest that at the present time.

Mr. CHEVRIER: If there is a better system, I am in favour of the better system.

Mr. BOWMAN: That is what this Committee is appointed for.

Mr. VALLANCE: I think that is the very reason why you have your deputy ministers recommending promotions.

The CHAIRMAN: Excuse me, gentlemen. I think we had better discuss this later on. Any other suggestions of this kind had better be left over too. I think there are some, but I would like to ask that they stand over till a later date. Thank you very much, Dr. Roche.

Gentlemen, Mr. Sanderson, the member for South Perth, is present for the purpose of presenting a resolution to this Committee. With your permission, I will now call on him.

Mr. SANDERSON: Mr. Chairman and gentlemen: I have been asked to present to the Committee—and would like to have read into the evidence—a resolution which reads:

> At a regularly and properly convened meeting of the Stratford Post of the Canadian Legion of the British Empire Service League held at the Loghrin Memorial Home, Stratford, on the 11th day of February, 1932, it was moved by F. Betts and seconded by G. M. Aunaud and unanimously carried; that this branch approves of the preference granted to ex-service men under The Civil Service Act and is opposed to any modification in the preference as it now stands, unless such modification be of a nature to increase and broaden the preference granted to ex-service men under the said Act.
>
> C. BRADLEY,
> *President*,
>
> PETER K. INGLE,
> *Secretary*,
> *Branch No. 8, Canadian Legion, B.E.S.L., Stratford, Ont.*

Mr. VALLANCE: I think, Mr. Chairman, that others of us on this Committee could present quite a few of these resolutions from similar organizations in our riding should they be desired.

The CHAIRMAN: Just before we adjourn—Dr. Roche left with the Committee reporter, a memorandum, which he read this morning and which I believe is to be included in the printed report of the Committee proceedings, which will be available for you in the morning.

Mr. ERNST: We can have it when—to-morrow morning?

The CHAIRMAN: I presume it will meet with your approval to have Dr. MacTavish come here to-morrow morning?

Mr. CHEVRIER: All right, I am satisfied.

The CHAIRMAN: As Mr. Tremblay is here, I hope Mr. Tremblay will forgive me, but I mentioned calling Dr. MacTavish for the simple reason that he met with a slight accident a few days ago and is confined to his home. He is very anxious to come here and I wanted to give him the opportunity of coming at the beginning of the session so that he would not have to remain here longer than necessary, as he has to keep his arm in a fixed position. He will be here to-morrow at eleven o'clock.

Some gentlemen came to see me this morning who were representative of, I think it was the Canadian Postmasters' Association. I do not know whether they are from Ottawa or out of town. (I have just learned that they are all gentlemen from outside the city.) They would like to have an opportunity of being heard before the Committee. Would you suggest that we hear from them, and any of the other Civil Service organizations, that desire to be heard, immediately following the three commissioners?

Mr. CHEVRIER: In that case, yes. That would meet with my approval. But I don't think though that they should come in all mixed up. I thought we were going to hear from these civil servants in such a way as will not clutter up the evidence.

The CHAIRMAN: We can take both Dr. MacTavish and Mr. Tremblay to-morrow morning. I imagine they are in accord with what the Chairman (Dr. Roche) has said and that it is only a matter of their adding their own observations.

[Hon. W. J. Roche.]

Mr. BOWMAN: I think, Mr. Chairman, it should be publicly understood that we are not ready, just now, to receive representations from any of these organizations. We are not in a position as yet to receive them. We are going to have our record cluttered up and we won't know where we are at. This is rather a colossal undertaking and I think we should proceed in some orderly way.

Mr. CHEVRIER: I agree, Mr. Chairman.

Mr. VALLANCE: Should it not be publicly announced that the Committee is prepared to meet all delegations and that they immediately send in their intimation that they wish to be heard? Then we will indicate the time they should be here.

The CHAIRMAN: Will the Press be good enough to announce to the public that we will next hear from Dr. MacTavish and Mr. Tremblay of the Commission and that if any Civil Service organization, desirous of being heard, which has not already communicated with the Chairman or some member of the Committee, would be good enough to do so, the Committee, at a subsequent date, will intimate that it will hear their representations.

Mr. CHEVRIER: It is understood that we are not going to pay witness fees or travelling expenses of everyone who wants to come before this Committee.

The CHAIRMAN: Our financial obligations extend only to those persons whom we call here on subpoena.

Mr. CHEVRIER: If they want to be heard they are free to come at their own expense.

The CHAIRMAN: There is another matter I wish to bring to your attention. Mr. Woodsworth, a member of this Committee, by reason of the pressure of other business, has asked to be relieved, nominating in his stead, from the group which he represents, Mr. MacInnis. I took the liberty of asking Mr. MacInnis to come here this morning, so that he might be cognizant of everything that went on from the commencement. I imagine the usual motion will be made in the House authorizing the replacement of Mr. Woodsworth by Mr. MacInnis.

If there is nothing more to come before the Committee, we will adjourn until 11 o'clock to-morrow morning.

The committee adjourned until Wednesday, March 16th, at 11 a.m.

HOUSE OF COMMONS,

March 16, 1932

The Select Special Committee to inquire into appointments to and the control and direction of the Civil Service of Canada, and, generally, the administration and operation of the Civil Service Act, met this day at 11 a.m., Mr. Lawson presiding.

The CHAIRMAN: While we are waiting for the other members of the Committee, gentlemen, there are a couple of formal matters I might take up.

I may say I have been receiving a good deal of correspondence with which I am not bothering the Committee, because some of it covers personal inquiries and so forth; but any application of any organization to be heard and that sort of thing, is brought down for your consideration. You will remember we asked for a considerable amount of information from all deputy ministers. That request went out to all those who have rank equivalent to deputy ministers, one going to the President of the National Research Council. I have a reply from that officer, pointing out that all their appointments, and so forth, come under the Research Council Act, and are not within the Civil Service Act. The president informs us that the Council would be glad to supply us with any information we request. As it has no relation to the Civil Service, I wonder if we might reply to him, saying that he might consider the matter closed, unless he hears from us to the contrary. My judgment is that we do not require any information from him at the moment.

Mr. BOWMAN: Unless something special arises.

The CHAIRMAN: Unless something special arises.

Will you make a note, Mr. McEvoy, to reply to the President of the National Research Council, informing him that the Committee accepts the suggestion contained in his letter of March 15.

Then, there were some gentlemen here yesterday representing some postmasters' association. Was that the Canadian Postmasters' Association? I have a memorandum here informing me that they requested to be heard. I think the Committee determined yesterday that at the proper time we will do that. I have another communication here, gentlemen, from the Canadian Postmasters' Association, written from Estevan, Saskatchewan. They expressed a desire to be heard. I suppose I am at liberty to say that in due course the Commitee will be glad to hear from them. Then, gentlemen, I have a request from the Toronto Pensioners' Protective Association, who desire to be heard. Apparently they have considerable complaint about civil service appointments and administration in connection with Christie Street Hospital, at Toronto. May I reply to them, informing them that in due course we shall be glad to consider their plea? Then, I have a request from the Dominion Railway Clerks' Federation. They say, "May we respectfully request that if it is so decided to call outside witnesses relative to your committee's inquiry into the civil service, a representative of our federation be called to present the viewpoint of our organization." I suppose it will be all right for me to reply and advise them we shall be glad to hear in due course a representative of that civil service organization.

Mr. CHEVRIER: Which one is that?

The CHAIRMAN: It is the Dominion Railway Clerks' Federation.

Now gentlemen, I have quite a number of letters here from individuals, who seem to feel they have grievances and complaints, some of whom allege they can give us some very interesting information as to the system which prevails. My own view is it would be rather a hopeless task for us to start off at this time to hear individual complaints. Would it meet with your suggestion, if I communicated with those people and told them the matter had been brought to the attention of the Committee and would be considered at a later date?

Mr. ERNST: What is the nature of the letters?

The CHAIRMAN: For example, I have an individual letter from a man who makes allegations that he was wrongfully treated in a dismissal, and he says, "I can show you where this system is abused, if you give me the opportunity."

Mr. CHEVRIER: Why not wait until we have disposed of the major part of this inquiry, and, in the meantime, these letters will accrue?

The CHAIRMAN: That is what I had in mind.

Mr. CHEVRIER: At a later date, we could probably have a sub-committee go through them and sort them out.

Mr. ERNST: I have a flock of those letters up in my room now.

The CHAIRMAN: In the meantime, we will not attempt to consider or deal with individual cases.

Mr. ERNST: No.

Mr. BOWMAN: As long as we do not let the public get the idea that this is a grievance committee.

The CHAIRMAN: Yes. The Committee has no desire to prevent any information being given, which may be useful to the Committee, no matter whom it may hit; but we cannot embark upon a program of looking into every individual complaint. I think that is all the routine matters, gentlemen.

Mr. CHEVRIER: Before you proceed with the evidence, Mr. Chairman, I should like to make a remark. Last evening, for about an hour and a half or so, I attempted to go through the matter filed with the Clerk of the Committee by the Civil Service Commission and by the deputy ministers. Some of the information contained therein is most valuable, but there is a stack of it. It is unfortunate that in making the reports, copies were not made. Some of them, of course, are fearfully large documents. It would not be proper to ask that time and money be spent in making copies of them; but there are others that are short, but none the less interesting, and I think that some means ought to be devised whereby we could have copies made of those. I suppose, if I went through the list and asked the Clerk to furnish me, at least with any that I should like to have, that some means could be devised whereby I could get that.

The CHAIRMAN: Oh, yes. As I advised the members of the Committee yesterday, the material is all in the hands of Mr. McEvoy, and any member desiring to look at it will find some very interesting information there.

Mr. CHEVRIER: It is so voluminous that one cannot very well spend the time in the Clerk's room.

The CHAIRMAN: If any member of the Committee desires to take some of that material to his own room, I would suggest he is at liberty to do so, on giving a memorandum of receipt to the Clerk of the Committee as to what he is taking. If any member of the Committee desires copies of any of the material, which is filed, I would be pleased if he would let me or the Clerk know, and we shall furnish the necessary stenographic assistance to deal with the matter.

Mr. CHEVRIER: That is all right; that satisfies me. There is some material there that I would not dare ask to have copied.

The CHAIRMAN: We might be able to have extracts of that.

Mr. BOWMAN: I think, however, that Mr. Chevrier's suggestion is a good one. In future, when we ask for material, I would suggest when they are preparing this material for us, that they prepare seven extra copies at the same time as they make the original. They might let us have extra copies, so that instead of the evidence being tied up in the hands of any one member of the Committee, there will be copies available for all.

Mr. FORAN: We would be very glad to furnish seven extra copies of everything that we supplied here yesterday.

The CHAIRMAN: You see, Mr. Foran, the memorandum which Dr. Roche read, is copied into the printed report.

Mr. FORAN: We can furnish copies for each member of the Committee of the charts of the procedure in connection with examinations, and the organization charts.

The CHAIRMAN: Thanks very much.

Mr. CHEVRIER: It is probable, Mr. Chairman, that Mr. Foran can furnish copies of what has already been furnished, but I had in mind, for instance, those very large sheets showing—

Mr. FORAN: We might have a duplicate copy, but not more than a duplicate copy of those. We will have copies made of all the other material for each member of the Committee.

Mr. BOWMAN: If that could be borne in mind in preparing material in the future, it would help out very much.

Mr. FORAN: We will do that.

Dr. NEWTON MACTAVISH, called and sworn.

By the Chairman:

Q. Dr. MacTavish, I presume you are familiar with the memorandum which Dr. Roche submitted to the Committee yesterday morning, and with the suggestions which Dr. Roche made as to proposed amendments to the Act? —A. Yes; I am not as familiar as I would like to be, because of my present affliction, but I think I am quite sufficiently familiar—

Q. Would you say— —A. I might say I had not the opportunity of hearing Dr. Roche, but I perused newspaper reports of the documents to which you have referred.

Q. Did you have an opportunity of reading this evidence? I suppose you have not had the opportunity of reading it?—A. No, I just had this handed to me now.

Q. Then, Dr. MacTavish, for the purpose of our session this morning, would you be good enough to give us any statement that you might have in mind as to the working of the Civil Service Commission, the efficiency and benefit, or detriments of the present system; and, if there are any of those suggested amendments which Dr. Roche made with which you do not agree, let us know; and if you have any additional ones which, in your individual opinion, would be beneficial to the Act, would you let us have them; and if, after you have had the opportunity of reading Dr. Roche's statement presented yesterday, you should care to add anything else, just let us know, and we shall be glad to have you come back, at your convenience.—A. Yes. Would it be in order, Mr. Chairman, for me, instead of presenting a memorandum, to make a verbal statement?

Q. Yes, that is what we had in mind.—A. I mean, probably, a descriptive statement of my visualization, one might put it, of the Civil Service—

Q. Yes; that is what we would like to have.—A. —Act, and of the Commission by which it is administered. I would like to put it this way, if you will permit me, that the Civil Service Act, if you can conceive it—picture it—is a huge machine which has ramifications all over the Dominion. I have heard it, and have seen it, described in newspapers once, as having tentacles reaching out all over. It has ramifications all over the country. It is a huge machine, if I might put it that way, this Act of Parliament, working under the Civil Service Commission. I merely use this manner of describing it, because I think you gentlemen might visualize it more clearly if I gave just a few minutes to it.

Now, we have that machine in operation like any other great machine, and it goes along just turning out men and women for positions; it has the process all the time of elimination—if you get the idea of elimination—

By Mr. Bowman:

Q. We were under the impression it was promotion.—A. That is after a man gets into the service.

Q. Elimination prior to employment?—A. Elimination. I am speaking now, sir, of elimination in the first process of appointment.

By the Chairman:

Q. Elimination of aspirants in order to get down to an irreducible minimum? —A. A good many people I know are all the time wondering how appointments are made.

By Mr. Ernst:

Q. It is a survival of the fittest?—A. Survival of the fittest. It is a long process in that survival of the fittest, because the fittest have to be fitted throughout the country into the various ramifications of this machine.

Now, the Civil Service Commission itself has a staff of 140. I saw it, the other day in the press, mentioned as 250, and in another case 350, but we have about 140 to-day, and that group of individuals is keeping this machine going.

By the Chairman:

Q. Excuse me, Doctor. When you say you have a staff of 140, does that include temporary as well as permanent appointees?—A. That will be reduced when the temporaries are gone, to about 140, as far as we can tell now.

Q. That is, when the temporaries are gone. That means after March 31st, I presume, in view of the general order?—A. Yes.

Q. What is the number on the staff now, Doctor?—A. About 150 odd, I would say.

By Mr. Bowman:

Q. Roughly, what has been the maximum number?—A. Two hundred and seventy-two, years ago.

Q. What year did it reach that maximum?—A. I think that was in 1922, or 1921, somewhere along there, maybe 1923, but it was back in that period.

Q. Has it been gradually reduced since that time?—A. Generally speaking, yes. It has been up and down, but I think it is lower now. Mr. Foran, the secretary, when you hear him, will give you the exact figures. I think it is probably lower now than it has ever been and will be lower, I think.

Q. When this order goes into effect?—A. When this order goes into effect.

Q. Prior to the time that the order went into effect, what was the number? —A. Well, we have—I think it is 147 or 148, I don't know—that is, temporary employees and all.

By the Chairman:

Q. One hundred and fifty odd?—A. One hundred and fifty odd.

Q. There will be 140 after March 31st?—A. Approximately, one or two more or less.

Now, may I proceed, Mr. Chairman, to point out that in the making of appointments, one of the bases, I think it is the genius of the whole Civil Service Act, is that the department must be suited.

By Mr. Laurin:

Q. Must be what?—A. Must be suited. A great many people have the idea that an appointment to the Civil Service is final. The Civil Service Commission approves of appointments. A great many people think it is final; but after all, the genius of the whole thing is that the department where the man goes, or the woman goes, must be suited. It must have the power to reject—

By Mr. Vallance:

Q. You recommend, don't you, that they are acceptable to the department? You make the appointment?—A. The word is, "approved".

Q. You approve?—A. We approve and issue a certificate.

By the Chairman:

Q. It is a sort of probation?—A. Yes, sir.

By Mr. Ernst:

Q. May I ask a question? Do you approve of the power of rejection residing in the Department?—A. I do not see how it can reside any place else. It involves the question of dismissal, and I look forward to the time you have accepted the recommendation of our Chairman—that list that Dr. Roche gave you yesterday—and it will be a very fine thing if you gentlemen can devise a way which would compel a department to put a man on trail. I think I can quite honestly say I don't see one myself, but a number of you are gentlemen versed in the law, and if you succeed in doing that, it will be a great help.

By Mr. Bowman:

Q. You say, Doctor, that the final responsibility for the appointment is really with the department?—A. The final responsibility in accepting, yes. Of course, it requires first an order in council, because there is money involved, but the acceptance of the position, of the man, I mean, depends on the Department.

Q. In the practical working out of the system, as it is as the present time, the final decision is up to the department?—A. Yes.

By Mr. MacInnis:

Q. Did I get you right, Dr. MacTavish, that at the present time you have been making appointments to the departments, but the departments have not been accepting those appointments?

Mr. Ernst: It is scarcely appointments; it is really nominations.

The Chairman: Let us see if we cannot agree on the term.

By the Chairman:

Q. When your Commission nominates a man to go to a department to fill a position—

Mr. CHEVRIER: Selects.

WITNESS: Well, we approve. The word in our Commission is "approve," we initially approve.

By the Chairman:

Q. When you approve a man to go to a department initially to fill a vacancy, do you make out some form of certificate?—A. A certificate.

Q. What do you call that certificate?—A. It is a certificate of employment.

Q. It is not only a probationary certificate, or an initial certificate, or anything of that kind to distinguish it from some other certificate?—A. There is a good deal of material, literary material, on it which I cannot give you offhand; but it means that he is to report to the deputy or to some person in the department at some place.

Q. For the purpose of clarity, in connection with this Committee, can we call it an initial certificate?

Mr. BOWMAN: Why not say "certificate," because that is what it is.

WITNESS: We would be very pleased to get a copy for you.

The CHAIRMAN: Let us call it something. Let us get some common term.

WITNESS: I am quite correct in saying we approve of the appointment. After that it goes through some process before the man actually gets on the job.

The CHAIRMAN: We shall call it "certificate of approval," so we will all have the same thing in mind.

Mr. BOWMAN: I do not think that is quite correct.

The CHAIRMAN: Have you got a certificate there?

Mr. ERNST: Mr. Foran explains that in this way, that the commission issues a certificate, recommending the appointment, and after that there is a probationary period. There is only one certificate issued.

The CHAIRMAN: All right, we can call it a certificate.

By Mr. MacInnis:

Q. Just one moment. There is one thing I want to get cleared up. It is an appointment in the first place.—A. It is an appointment, a probationary appointment.

Q. You say you call it a probationary appointment?—A. We approve of the appointment, as I say, it is finally in the power of the department, under the law, now, to reject this man for any reason.

Q. That is the point I wish to get at. You say that the Commission makes a probationary appointment to a department, and you think the department should be compelled to accept that appointee for a certain probationary period? —A. Well, I have not said that. If you are putting it that way, I say, "yes". What I did say was, I would like to see this Committee devise a way, or rather repeal the Act or make an amendment—that is the word I am looking for—amend the Act, so that the department would be compelled to put a man on probation.

Q. I do not want to be taken as putting words in your month.—A. That is what I said.

By the Chairman:

Q. Excuse me a moment. Let me see if I have your view clearly in my mind. Your viewpoint is this, that the Department should have the final say as to whom it will accept for employment in the Department from among those

approved by the Civil Service Commission; but they should not have power arbitrarily to reject someone without trial.—A. Well, that is pretty well it. As the Act stands now, they have the power to reject. According to the expression of the Law Officers of the Crown, the department has this power, the minister has the power to reject anybody for any reason. We have not, as Commissioners, always seen eye to eye as to the value or acceptability of the reason. And if we dissented, as we know we do dissent occasionally, I say that there have been dozens of recorded cases, of that peculiar little lapse in the Act, and just for no other causes.

Q. The point I am trying to get clarified in my mind is this: if we amend this Act so that the department can reject only for cause, and after a probationary trial, the cause may seem adequate to the department and inadequate to the Civil Service Commission. Who is to be the arbiter in the final analysis, the department or the Commission?—A. You mean now?

Q. No. I am trying to get your views as to what would make this Act better.—A. Our views would be, if it could be sent back to us, all their reasons after trial before rejecting—it would be sent back to us, the reason, and then we would have the power to see whether that reason is acceptable or not.

Q. The Commission would be the final arbiter?—A. The Commission.

By Mr. Chevrier:

Q. I agree that something ought to be done in that way. Are you not making quite a mountain out of a molehill? At page xix of the report for this year, we find the following: "It may be noted that out of two thousand and twenty-two assignments to permanent positions made during the year, only fifty-four appointees, or 2·66 per cent, were rejected under this section of the Act." That is a very small number.—A. You think, Mr. Chevrier, that is making a mountain out of a molehill? I have seen some, if you will pardon me for saying this, members of Parliament who have been very very much disappointed over one rejection.

Q. I fully agree that the principle is wrong; that something ought to be done, but at the same time I do not want the impression to get around that this power of rejection has been abused to a considerable extent. I am quite satisfied to leave it at 2·66 per cent. That is enough to show us something ought to be done. I would not want the impression to get around that the departments have been wholesalely refusing to— —A. No.

Q. Once I make that point I am satisfied with the rest.

By the Chairman:

Q. I do not want it to be taken that the rest of the Committee agree on that point. To my mind the subject matter that Dr. MacTavish is now working on is one of great importance.—A. It is of high importance, if I might be pardoned in saying that, Mr. Chairman.

Q. I am sorry for interrupting you, go ahead.—A. Well, I was at the point—

By *Mr. Bowman:*

Q. Just a short question before the doctor goes on. You say at the present time the real importance in your mind in the administration of the Act is that the final decision is up to the deputy minister of the department.—A. Well, it is obvious that the department must be suited with the man, with the appointment. That to me is obvious.

Q. Just tell me in a few words, Doctor, what suggested change you have in mind that would meet the situation?—A. It would amount to what I have already said. I myself, as a Commissioner, have been unable to devise a plan for the amending of that Act that would take that power from the department and give it, or part of it, to the Civil Service Commission.

Q. In other words, you wish for greater power given to the Commission in the making of final decisions than they have at the present time.

Mr. ERNST: He did not put it that way.

By Mr. Ernst:

Q. I understood you to say, sir, after you were interrupted, that you do not presently object to the power of rejection remaining with the department, but what you did say was that it should not be exercised before giving the man a trial, an actual trial.

Mr. CHEVRIER: For good and sufficient reasons.

The CHAIRMAN: Rejection should be for cause.

Mr. ERNST: It should be for cause.

A. But, of course, the Act, gentlemen, says "for cause." They must give reasons, and the judgment of both the late Mr. Newcombe and Mr. Stuart Edwards—and they are both unanimous in the opinion that an appointee can be rejected at any time for any cause—that is, the deputy could say he wears a brown derby and we don't want him.

By Mr. Bowman:

Q. In other words, as Dr. Roche said, it is covered by the word "unsuitable"? —A. "Unsuitable" is the word they have seized on.

Q. Well, you would narrow the power of the deputy to reject?—A. Well, as I have said—

Q. And transfer that additional power to the Commission?—A. I think it might possibly work out, but I cannot say, myself, how to word it. However, if you can word it, that would be an improvement.

By Mr. Vallance:

Q. In what way would it be an improvement? Would it make the service more efficient, or just give more power to the Commission than they have to-day? —A. It would ensure a man who has been approved after his examination, under what we call our merit system—and I think we have a pretty rigid examination, though some differences of opinion exist as to that—but it would ensure that man getting a trial, if such a thing is possible. You see, you have to consider this, that a department is a place where a man works and he is paid for the work he does. Now, has that department the right to dismiss that man? They do not need an order in council up to six months, but have they the right to dismiss at any time. According to the Justice department they have at any minute. We appoint a man and they never see him, don't want to see him. You see, there is a situation there that can be carried to excess. The department says they don't want that man; if the deputy does not want him, if the minister does not want him, then they reject him as unsuitable.

By Mr. Chevrier:

Q. Put it this way, Doctor: You say that quite improperly the power of rejection remains in the department, as at present, but that the purposes of the Act, of the Civil Service Commission, is to find someone suited to the department?—A. We must find someone suited.

Q. Now, then, you make an assignment on a probationary period and the department says "We don't want this man." They return him and say "unsuitable," just the one word, no explanation whatever. You say that is not right, that you ought to have the reasons why he is unsuitable. Once you have the reasons you proceed to say that then the final say would be with you, the Commission, as to whether he is suitable or not?—A. I have not quite said that, Mr. Chevrier.

Q. I am not antagonistic to the idea at all, but, if we are going to place the responsibility, then we want to know where it is going to be fixed, because the machinery of the Commission is to find someone suitable?—A. Yes.

Q. Then he is rejected upon reasons being given?—A. Yes.

Q. And if the Commission thinks that the reasons given are not sufficient reasons then you would order this man back to the department. Then the department say "We don't want him," and there you are again.—A. Now, you are getting at the difficulty. You observe the difficulty, we might see-saw back and forth.

Q. Yes.—A. And it involves also the point whether the department has the right to dismiss.

Q. So far as I am concerned I know just what your difficulty is.—A. It is a pretty delicate point. If you gentlemen can devise a means of amending that section properly, I would appreciate it, and I am sure my colleagues would too.

By the Chairman:

Q. I can epitomize your views, Doctor, I imagine, with respect to it by saying this: you say to this Committee, "We would like you gentlemen to say who shall be the final arbiter as between the difference of opinion in the Commission and the department, I cannot suggest anything better than making the Commission the final arbiter." Is not that the summary of it?—A. Yes, that is what is contained in the document that was given yesterday by Dr. Roche; but I am going further than that, myself, if I may be presumptuous enough to do so.

Q. That is what we want you to do, Doctor, we want your suggestions?—A. To anticipate difficulties that are not at the moment visible,—I am quite sure the man who drafted that Bill in the first place thought he had that fixed. I am quite sure that was the intention, and, furthermore, I think it was the intention of Parliament when it was passed, but it has not been interpreted that way and we must follow the interpretation. I will give Dr. Roche this to his credit: he had steadfastly held to his idea that "unsuitable" is not a proper term to use, and when I spoke about dissenting awhile ago I was including that. When the word is given as "unsuitable", and as Dr. Roche thinks that is not a proper reason—and quite properly has a right to think so—and file after file of those cases—and there are quite a good number of them—he has held to the idea that that is not a suitable reason. Now, if the department could give us a suitable reason we would say "Yes, we accept that", or "We don't accept it;" but, just as Mr. Chevrier said, I do not see the finality of it in cases of that kind.

The CHAIRMAN: Mr. Clerk, from the information you now have available in your possession supplied by the Civil Service Commission, or the deputy heads, are you able to make a computation for us of the number of assignments made, or the approvals given by the Civil Service Commission for each calendar year from 1925 to 1931, inclusive, and the number of rejections?

Mr. CHEVRIER: They all appear in the yearly reports.

The WITNESS: I think that can be given to you, Mr. Chairman.

The CHAIRMAN: I know they all appear in the yearly reports, but I do not want the job of sitting down and compiling that information from the yearly reports.

By the Chairman:

Q. Just to follow it up for a moment, Doctor, my recollection is that Dr. Roche told us that last year there were approximately 54 rejections as unsuitable. Can you give me an approximate idea of the total number of assignments or approvals given by the Commission last year?—A. Well, I am sorry I cannot, off-hand, but I will get that for you. It may be in our Report.

Mr. CHEVRIER: That is at page vii of the Report.

The CHAIRMAN: How many are there?

Mr. CHEVRIER: According to the Report, at page vii, there were 6,690 that applied; 4,983 tried, 1,027 qualified and 756 were appointed to the census staff.

Mr. BOWMAN: Where do you get your figure of 2 per cent?

Mr. CHEVRIER: I got it at page xix of the Report:

> It may be noted that out of two thousand and twenty-two (2,022) assignments to permanent positions made during the year, only fifty-four (54) appointees, or 2·66 per cent were rejected under this section of the Act,—an indication of the suitability of their positions of those selected and assigned by the commission.

By the Chairman:

Q. I would like to run this thing down while we are on it, because I consider it of some importance. At page vii of the Report of the Civil Service Commission, Doctor, it says that 756 were appointed, that is, to the census staff. That was a special job for a short time, which will run out?—A. Yes.

Mr. BOWMAN: What page, Mr. Chairman?

The CHAIRMAN: Page vii.

By the Chairman:

Q. What I would like to get at for the moment is this, I would like to know the number of assignments or approvals made by the Civil Service Commission to departments other than for this census staff and the number of rejections as "unsuitable"?—A. We will get that for you. I have no doubt it is available.

Q. Subject to getting those figures, would this not be the result: May I take it that in the vast majority of the cases the approvals you give are to the applicant who has ranked highest in order of merit?—A. Yes.

Q. The ranking, for merit being a combination, in many cases, of written examination, oral tests, and rating for efficiency, and what else?—A. Education and experience.

Q. So that, in each case, where the person to whom the Civil Service Commission has given the approval and there has been a rejection as unsuitable, does some person lower down the list than the one ranking highest ultimately get the appointment?—A. Yes.

Q. And I am correct in my understanding that in many cases it might be the man who was as far down as fifth or sixth on your eligible list?—A. Oh, further, in some cases.

By Mr. Vallance:

Q. It works out that on many occasions the individual who was fifth or sixth in the examination, as outlined by the Chairman, because of his military service would find himself at the top of the list, is not that so?—A. Yes, that might be it.

The CHAIRMAN: Yes, but Mr. Vallance, you are bringing in another problem that does not enter here. When I was discussing the question with Dr. MacTavish, I was talking about the eligible list, and was not talking about statutory preference to veterans.

Mr. CHEVRIER: Yes, but that does not remove the difficulty.

The CHAIRMAN: It removes the difficulty at which I am driving.

Mr. CHEVRIER: The department says civilians pass with probably nine-tenths of the available marks and then a returned soldier passes with the minimum qualification. We have got to take the law as it is.

The WITNESS: Oh, yes.

Mr. CHEVRIER: Then the returned soldier gets to the top of the list and then when he is assigned to the department, the department in the exercise of its discretion under the law rejects him. There may be seven or eight returned soldiers at the top of the list before you reach the civilians who are all ahead in marks.

The CHAIRMAN: No question about that.

Mr. CHEVRIER: Well, that explains why there are a number of rejections until the department gets down to the man whom the department thinks is the properly qualified man.

The CHAIRMAN: I am not dealing with the explanation, I am merely dealing with the facts.

Mr. BOWMAN: Follow that out and ask Dr. MacTavish the same question, but leaving the special preference to returned soldiers out of consideration altogether.

Mr. CHEVRIER: You cannot do it because that is the eligible list.

Mr. BOWMAN: I quite understand that the returned soldier gets the preference, even if he is much lower than the civilian in the matter of marks or weights, but I think what the Chairman had in mind is this: outside of the returned soldier preference did it not happen that where a man perhaps standing at the head of the list did not get the appointment then some other man standing fourth or fifth down the list did get the appointment although with much lower qualifications.

Mr. CHEVRIER: Then what happened to No. 2? Was No. 2 sent in and rejected, and No. 3 sent in and rejected, and No. 4 sent in and rejected?

The CHAIRMAN: Yes.

Mr. CHEVRIER: What happened?

Mr. MACINNIS: Mr. Chairman, I think we are presuming here.

The CHAIRMAN: You will have to get that from other witnesses, individual instances which we will have.

Mr. CHEVRIER: No, it arises out of this case.

The CHAIRMAN: You cannot expect Dr. MacTavish to remember what happened in competition No. 25,677.

The WITNESS: I know what the rule is.

Mr. VALLANCE: Mr. Chairman, we are not concerned about the whys and wherefores. What we are trying to solve now is the condition which exists to-day in making appointments whereby the power is given to someone, and that someone to-day is the department or the deputy minister. What we want to know is, would it be more satisfactory if that final say was in some other body? That is the only thing that concerns us.

The CHAIRMAN: Oh, no, we are concerned with a great deal more than that.

Mr. BOWMAN: That is one of the many points that concern us.

By the Chairman:

Q. As the result of that system, does the man who is most meritorious get the position, or does someone further down the list in many cases get the position? In one case it is a pure merit system, and the other case, a so-called merit system, or operating under the guise of a merit system when, in fact, you have something else.

Mr. CHEVRIER: You may get someone that will probably strike a very high standard in marks, but that won't make him suitable for the position.

The WITNESS: Oh, no. You could take the hypothetical case of a man—

Mr. CHEVRIER: You have to keep the two in mind, high marks and suitability for the position.

Mr. BOWMAN: Isn't that, after all, taken into consideration in the weights they give?

The CHAIRMAN: Mr. MacInnis has been very patiently endeavouring to ask a few questions for some time.

Mr. MACINNIS: I was not particularly going to ask a question, but I thought I might clarify the situation. If a returned soldier has lower marks, well his service counts as part of his merit. We will have to leave that as it is, and we are only presuming at the present time that those who have been rejected are returned soldiers. I do not think there is anything to indicate that these rejections were mostly or all—

The WITNESS: They were more likely not.

Mr. MACINNIS: It seems to me it is mere presumption.

Mr. BOWMAN: Not at all. That is not the point at all, Mr. MacInnis.

The WITNESS: A man goes to the department after the Commission gives him the appointment, if he is fortunate enough to get there. He is a civilian as far as the civil service is concerned.

The CHAIRMAN: But he already had his returned soldier preference by being placed in a certain position higher on the eligible list than he ordinarily would have been.

Mr. BOWMAN: Because of the very principles of the Act.

Mr. VALLANCE: And because of that, then, he is unsuitable.

By Mr. Ernst:

Q. Your objection is that it can be manipulated by the heads of the departments so as not to be a merit system?—A. If a department, for any reason under the present law, says that it will not have a man, or a woman, then it can say "We won't have him (or her)", and they find a means of not having him. That is the simple truth.

By Mr. MacInnis:

Q. And then he is not given a trial?—A. He is not given a trial.

By Mr. Bowman:

Q. In other words, the Chairman was quite right, in the answer that he got from you, that you may have four or five men, leaving out the question of preference which is given under the Act to returned soldiers, you may have five other men on the list placed in the order, 1, 2, 3, 4 and 5, as the case may be. No. 1 might have the highest merit, but No. 5 might get the job?—A. If he is a returned soldier.

Q. I am saying, leaving out the question of the returned soldier preference? —A. By rejection, yes.

Q. And that has occurred?—A. Oh, yes.

The CHAIRMAN: Any other questions, gentlemen?

Mr. CHEVRIER: Not at this stage.

The CHAIRMAN: Doctor, you led us into a very interesting field of discussion.

The WITNESS: I might humbly say that I am afraid you have not traversed it completely.

The CHAIRMAN: We realize that, but we are going to do a lot of traversing before we are through.

The WITNESS: I have here a list of questions that you sent to each of the Commissioners.

By Mr. Bowman:

Q. You were going to say something about the staff of the Commission itself. I think that is about where you were at. Do you purpose carrying on from there?—A. No, I would rather have the secretary, Mr. Foran, or Mr. Bland, who are experts at that sort of thing, answer that question when they appear before you. But we have in that document that Dr. Roche presented yesterday the question of residence, the residence qualification. That would seem a very simple qualification and yet very difficult to administer. The Act says he must be a *bona fide* resident. Well, then, someone comes along and says: "What does *bona fide* mean, just what is a *bona fide* resident," so that we have that difficulty more or less all the time, because a man will say of another one who got the appointment, " He has been living here only three months, or two days, before the vacancy was advertised," or some other length of time. So that if you could, in making your recommendations to Parliament, recommend any time that would be a suitable length of time—I do not quite agree with my colleagues as to the time; they say a year; I would prefer a shorter period, six months. I have my reasons.

By the Chairman:

Q. Doctor, you are speaking now of residence within any particular territorial limit, not residence within the Dominion of Canada?—A. Residents who are applicants for a position.

Q. Local appointments?—A. Local appointments.

Q. Excuse me, Doctor. Has the Civil Service Commission so far adopted any rule of thumb to constitute *bona fide* residence?—A. Not precisely. We have gone, as nearly as I can define it, on this assumption, that if a man would move with his family if he happened to have a family, or a single man would take up his residence, what you might call, as near as I can get at the meaning, a *bona fide* taking up of his residence, in that place at a time prior to the time of the appearance of the advertising.

Q. At any time prior?—A. Yes, at any time prior, a day. A year, of course, is better. But objection is taken, if it is a short period, by the older residents.

Q. Then has the Commission adopted any rule of thumb to be guided by? —A. As I say, if a man is there a day before the advertising of the position—

Q. If he were there six months before, then there would be no question?— A. There would not be any question, in my mind, if he were there a day.

Q. Then in that event, Doctor, if there is produced before the Committee a gentleman who, although he had passed his written examination, was not called for oral examination, on the ground that he had not resided sufficiently long in the municipality, when, as a matter of fact, he had been there for eighteen months, you would say that was an extraordinary case and one that would require some explanation?—A. We would have to inquire into that. Something of that kind does happen. That is what I was saying a minute ago, this machine gets out of order.

Q. It needs a little oiling?—A. Yes, it needs a little oiling.

The CHAIRMAN: Any other questions, gentlemen, on the residence matter?

The WITNESS: I might emphasize, if I may, that this is a highly important point. It is giving us a good deal of difficulty. It is occurring all the time.

The CHAIRMAN: Any other questions, gentlemen? All right, Doctor, would you let us have your next suggestion?

The WITNESS: I would take up next the question as to locality. That I bring up myself. That was not in the document presented by the Chairman of the board. Locality is even harder to define than residence.

The CHAIRMAN: Representing a constituency which surrounds the territorial interests of a large urban centre I can appreciate the difficulty.

The WITNESS: You could, Mr. Chairman. But it crops up again in the smaller places—in the small town, especially. A man lives half way between two post offices. He is a returned soldier and he claims to be a resident of that locality. It is a delicate situation.

By Mr. Vallance:

Q. Could not that be decided on then if he was getting his mail at one post office or the other?—A. Suppose, Mr Vallance, that he got his mail at both places. There are lots of places where a man lives as near one as the other. He does not like his own postmaster, or his store, and he won't deal there, and he conducts his business in the other. Some people will say "Well, he does not live there, he is not a patron there". But he claims he is, and it is rather hard to say precisely, and be fair to him, that he is not a resident. That is the difficulty.

The CHAIRMAN: All right, Doctor.

The WITNESS: Now, I come to a very delicate subject. I should not have opened it this morning, only my doctor may not allow me to come back often—though I am more or less at the mercy of you gentlemen. The doctor wants my arm kept out that way (pointing) for four weeks and it may be that I will not be able to come down as much as I would like, or as much as I would hope to, but I would like to give you part of my opinion about the soldier preference—and you will hear a good deal about that from others. However, I want to say just one thing about it.

As the Act is now interpreted by the Justice department, a soldier who comes from England and lives three years in Canada—he enlisted in England or the British Isles, but was never in France—and becomes naturalized; he has never seen service, never been at the front, but he is granted the preference—what they call the overseas preference. That man gets a preference over a Canadian who has not gone abroad. A Canadian enlists here but has never gone abroad, the armistice was declared before he could get abroad, or for a dozen other reasons he could not go. That man has no preference, but the man who comes from several thousand miles away has the preference, after living here a few years.

By the Chairman:

Q. Even though he has had service only in England?—A. He has what is called the overseas service.

Mr. ERNST: From our standpoint, England was a theatre of war and Canada was not.

The WITNESS: Well, that is the opinion of the Justice department, but it seems to me that it is not justice.

Mr. ERNST: Taken from the Pensions Act, probably.

The WITNESS: I would not say that.

By Mr. Laurin:

Q. Since when has this interpretation been given by the Justice department?—A. Oh, since the beginning, since the soldiers' preference was given, I think,—a long time at any rate.

The CHAIRMAN: Seven or eight years.

Mr. ERNST: The soldiers' preference was given in 1919.

The WITNESS: I cannot say off-hand, but that is near enough. At the conventions of the Canadian Legion I have discussed this matter with some of their

officials and they have always agreed—both the Canadian Legion and the British Empire Service League—that they would be in favour of that being done, a change made, so that the ones from abroad, old countrymen, without service, would not get preference over Canadians without service. It would remove that much soldier preference. I think that is quite an important feature that is very often overlooked.

By Mr. Ernst:

Q. Have you anything further to say on soldier preference apart from that? It is a delicate subject.—A. It is a delicate subject, but I have just this and I will say no more. You won't get any more out of me at the present moment, I hope. As to disability, we sometimes have cases, at least in my opinion, a case like this: A man has sixty to seventy-five per cent disability—I have even seen a 100 per cent disability case—and I have known of that disability getting the position over one who has not a disability. He is already paid by the country a pretty fair amount and the point is, should he be paid again, get the job over someone who has no disability? That is a point which you gentlemen might very well entertain.

Q. Have you ever discussed that matter with the Legion, Doctor?—A. Oh, yes. Not with the Legion, but with individual members.

Q. I am, perhaps, the only Legion member on the Committee.—A. You would not get a hearing in the House.

Q. I feel quite certain that you would not get the Legion to support that proposal?—A. Oh, no, I don't think so.

Q. Or any of the other ex-service men organizations?—A. No.

By Mr. Bowman:

Q. As a matter of fact, Doctor, the harm from that preference would only apply to a very, very small number who were getting the maximum disability pension.

Mr. Ernst: If they are 100 per cent pensionable they are not likely to get a job of any kind.

By Mr. Bowman:

Q. It would apply to a very, very small number?—A. Yes, but we must always bear in mind that that one is always as large as a thousand to that man.

The Chairman: I think it has a much wider application than Mr. Bowman suggests. As I understand it, in practice, not according to the Act, but in practice, every pensionable returned soldier has a preference over every returned soldier who is non-pensionable irrespective of the merit of the service of either, and the greater his disability the greater the preference provided he can boast the necessary physical attributes to do the proposed job, so it is very wide in its application.

Mr. Bowman: I was referring to the maximum class.

Mr. Ernst: All disabilities are treated as one class, are they not, irrespective of the percentage of disability. A man who has a 60 per cent disability does not get a preference over the man who has a 5 per cent disability.

The Chairman: Oh, I see.

Mr. Chevrier: The pensioner with the 60 per cent disability, is he placed higher than the pensioner with a 10 per cent disability?

The Witness: Suppose one passed 90 per cent on his oral or his written examination, he is a pensioner, and another one passes 70 per cent, the 90 per cent man will get the job.

Mr. CHEVRIER: Yes, I know.

The WITNESS: I mean the pension of the lower man is no higher than the other.

By Mr. Chevrier:

Q. In order to get this thing right, the question is simply this, Doctor: Take two pensioners, of course they would go ahead of the other soldiers without a pension?—A. Yes.

Q. Who would be ahead of the civilians? Now, the pensions are in the high class, I mean at the top, No. 1. In that class there are five competitors and they are all pensioners who have all passed. One probably gets 70 per cent and another 80 per cent, but there is a pensioner who draws 60 per cent of a pension and another pensioner who draws 40 per cent of a pension. Well, now, does the one who gets the 60 per cent pension have his preference increased owing to the fact that he draws a 60 per cent pension?—A. No, it depends on his standing in the examination.

Q. Someone had the impression that the greater the pension the greater the preference?—A. No, that is not the case.

The CHAIRMAN: I think the latter part of my statement misled you and it was broader than I intended. What I had in mind was this: that the provisions of the statute are that they get a preference, from causes attributable to such service; they have lost the capacity for physical exertion to the extent which makes them totally inefficient to pursue the avocations which they were pursuing before the war. Therefore, as I say, because of that provision obviously the greater the disability the less likelihood there is of his following his previous occupation and, therefore, he comes within the statutory provision.

Mr. ERNST: I think you are interpreting the Act somewhat differently to what it is interpreted in practice.

The CHAIRMAN: We can take it for our purposes that there is no preference as between pensions.

Mr. CHEVRIER: I would like the Chairman's question answered.

The WITNESS: I answered you, Mr. Chevrier.

By Mr. Chevrier:

Q. There is no preference as between pensioners?—A. That is right.

The CHAIRMAN: Anything else, gentlemen, on this pension question?

Mr. LAURIN: Could we have the list, Mr. Chairman, of all the soldiers appointed by the Civil Service Commission, or employed by the Civil Service Commission who receive a pension?

The CHAIRMAN: Yes, those lists are all here.

By Mr. Ernst:

Q. Have you anything further to say on the returned soldier question?—A. Not on the returned soldier preference. I don't know whether you wish to ask me any questions, Mr. Chairman, or whether you would like me to proceed.

The CHAIRMAN: Doctor, what I had in mind was this, that you should proceed and first give us your views generally, and then undoubtedly members of the Committee would like to ask you questions in respect to different matters.

The WITNESS: Well, then, there is a further question, what are the advantages or disadvantages of moving from under the jurisdiction of the Commission—owing to the particular classifications—appointments to positions now made by the Commission, taking them out of the jurisdiction of the Commission? Speaking for myself personally—and I think I could claim the support of my colleagues on this,—it would be very gratifying if you could recommend to

Parliament that such positions as the customs appraisers, who were removed from under our jurisdiction two or three years ago, the income tax branch, of National Revenue, and possibly, more difficult, I think, the National Research Bureau—

By the Chairman:

Q. Appraisers in the customs branch and employees of income tax branch? —A. Yes.

Q. Yes?—A. And the National Research Bureau, be brought under the jurisdiction of the Civil Service Act.

By Mr. Ernst:

Q. In connection with that, Doctor, have you anything of a converse nature to suggest? Are there any that you would like to get rid of?—A. I am sorry that I am not offering a bargain.

By Mr. Chevrier:

Q. Outside of the terms of the bargain, I was waiting for you to get through with the whole of your statement?—A. As to bringing them in?

Q. Are there any others that you would like to bring in, and then if you have any that you would like to be relieved of?—A. No. In the striking of a bargain you do not put all your goods forward.

By Mr. Vallance:

Q. You will have something to put, have you?—A. The proper thing is to keep something back. However, I am not figuring that I am keeping something back, but I think we would have the support of the service organizations generally, and the employees in these branches, if they were brought under the Civil Service Commission.

By Mr. Chevrier:

Q. Are there any others that you would like to bring in? No, I don't think of any at the moment. As I say, I have been on my back and I have not been able to do much work.

Q. Are there any others you would like to release?—A. No, that is the last thing we want to do, to release anybody.

Q. At present you are not in favour of releasing any more?—A. Right.

Q. Just to follow that up, have you any objection to taking that in, say for instance people who are working under prevailing rates who would like to have the benefits of the Civil Service regulations, if some scheme could be devised for taking it in?—A. Well, if it could be devised, yes.

Q. You would be prepared to do that?—A. Yes.

Q. You would be prepared to listen to representations on behalf of a large number of prevailing rates men now in the employ of the government who would like to come in under the benefits of the civil service law, so that they may get superannuation?—A. Yes.

Q. For a number of years I have had representations that these prevailing rates people would like to be put in under the jurisdiction of the Commission to enjoy the benefits of the Civil Service, and I believe some of them will make representations for the purpose of being taken in?—A. Yes.

By Mr. Ernst:

Q. A question, Doctor, in connection with the matter you have just raised. Take the department of Fisheries, they seem to have great difficulty with crews who are changing rapidly, but take the officers of boats, for instance.

I have in mind the officers of fishing boats. They are not under the Civil Service, as I understand it.—A. My colleague, Mr. Tremblay, has that Department, and he will be able to answer you much better than I could.

Q. There is no provision for superannuation for those men when they reach the end of their time?—A. That is probably correct.

Q. Do you see any reason why some provision should not be made so as to give them the benefits of superannuation?—A. Well, you are a member of Parliament, Mr. Ernst.

Q. I am asking you the question.—A. I cannot help you in that. I haven't sufficient information before me.

Mr. CHEVRIER: You mean seasonal employment?

Mr. ERNST: No, these are men who sail the boats the year round. I have in mind particularly the "Arras" and the "Arleux," boats of the Department of Fisheries. The captain of the "Arras" is probably near the time when his age will compel him to retire, with no provision whatever for superannuation.

Mr. CHEVRIER: They do not come under the provisions of the Civil Service Act.

The WITNESS: The Act does not include, as you know—

Mr. ERNST: I was wondering if it could not be made to include.

Mr. CHEVRIER: Are they seasonal?

Mr. ERNST: No, permanent.

By the Chairman:

Q. Now, Doctor, of your own volition you told us a few minutes ago you had not any suggestion to make as to any group or class of employees now under the Civil Service not being excluded therefrom, and I would like to follow that up with this: having regard to the provisions of the present statute, and such limitations as they place upon the ultimate appointment of the choice of the Civil Service Commission, and having regard to the complaints that you have received, is there any group now under the Act whom you feel, as the result of your experience, are not obtaining appointment or promotion on a true merit system?—A. No, I cannot go that far with you. We have discussed at the board and individually—I am speaking now of the members of the Civil Service Commission—a number of classes such as you speak of, but we have never reached the point where we would recommend, or at least I have not—where we would recommend their exemption from the Act.

Q. Take, for example, the case of local postmasters. That seems to be one productive of a great deal of see-sawing back and forth. In the case of local postmasters, if the man appointed or approved by the Commission, goes over to the department and the department rejects that man for the reason of unsuitability you really have, in its final analysis, not a merit system, have you?—A. Well, Mr. Chairman, as I said at the beginning, we have the condition of first suiting the department. We must suit the department.

Q. But you could make your official choice and rate them according to merit without regard to the Department's view at all?—A. Yes. Oh, no. Pardon me. No. Not without. I was falling asleep.

Q. I pick out a class with respect to which I have heard a great deal of criticism—the local postmasters?—A. Yes.

Q. A vacancy occurs somewhere in a local revenue post office—I do not care where—and a postmaster has to be appointed. Now, as I understand the system which now prevails, it is that an official of the Post Office department goes out and interviews all those applicants?—A. Yes.

Q. And holds what is termed an oral examination?—A. He is supposed to.

Q. And as the result of that oral examination he makes recommendations to the Post Office department which, in turn, are relayed by the Post Office department after some time to the Civil Service Commission?—A. Yes.

Q. Those applicants for that position are not subjected to a written examination?—A. No.

Q. So that the Commission, which is the body to determine who are meritorious in their order of merit, really has nothing before it in making its nomination of approval but the report of the official of the Post Office department? —A. Oh, yes. We have also the sworn declaration of each applicant, giving his application—

Q. Well, now—

Mr. CHEVRIER: The question is not right.

The CHAIRMAN: The question may not be right, but Dr. MacTavish is an intelligent man and he will correct me.

By the Chairman:

Q. I think, Doctor, that we got to the point where I asked you if the Civil Service Commission had anything before it other than the report of the official?—A. Yes, and I said yes.

Q. The report of an official of the Post Office department as to the man's rating for merit?—A. I said yes.

Q. Now, what else has the Civil Service Commission before it?—A. The sworn declaration.

Q. The applicant's sworn declaration?—A. Yes.

Q. To what effect?—A. Oh, everything about himself, experience, age and war service. I think that is the reason I gave you the wrong answer. I was anticipating you. We have to take into consideration the soldier preference.

Q. Leaving aside the soldier preference. Suppose that all your applicants are returned soldiers?—A. Then our examiners look over all applications to discover what qualifications these men might have for postmaster. They find a man who has a pretty fair education and has conducted a store for several years and who is well spoken of in the community, and such like. He will swear to that as his qualifications.

Q. Yes, but that is a man swearing to his own merit; but what I want to get really before the Committee is this: The Civil Service Commission who, under the Statute, is going to make an appointment in order of merit—has it anything before it upon which it can determine that man's merits?—A. Oh, yes.

Q. Other than the marks or rating given by an official of the Post Office department, plus a man's own declaration as to his own merits?—A. Yes. He may have had experience as a postmaster which is regarded as valuable experience.

Q. All right. Now, then let me assume that we have a case in which all the applicants are returned soldiers and all the applicants have had some post office experience, and the official of the Post Office department has rated them one, two, three, four and five?—A. Yes. I would think that that man, granted he is an honest man, would be the most likely man available to rate these men.

Q. I am not questioning that. I say, as a matter of fact, in the ordinary course of events, the Civil Service Commission would approve then of the man rated No. 1 by the official of the Post Office department?—A. Not always.

By Mr. Chevrier:

Q. Is not that man your own official for that purpose?—A. Certainly he is.

Q. He is your own official?—A. The best man available.

By the Chairman:

Q. I do not care whether he is your official. I am not making any argument. I am trying to get at the facts. The fact remains that an official of the Post Office department has rated the applicants 1, 2, 3, 4 and 5, and as I said, in the ordinary course of events, the Civil Service Commission would nominate or approve for appointment the man rated highest by Post Office officials, assuming that these men had all had Post Office experience?—A. It would depend on other experiences too that might better fit a man. Such a situation as you suggest would be almost impossible to find.

By Mr. Bowman:

Q. It would be unique?—A. Very unique.

By the Chairman:

Q. Let me follow it up this way: An official of the Post Office department, having made his recommendations, rating 1, 2, 3, 4 and 5, I can take it that in every case where some person other than the one rated No. 1 by the official in the Post Office department was appointed, it was by the exercise of discretion of the Civil Service Commission?—A. Oh, yes.

Q. So that if I have a case in which a man, for example, who had acted as an assistant postmaster—actually fulfilling the postmaster's duties for three out of nine years—is one of the applicants, and a man who had been acting in the capacity of a letter carrier is appointed postmaster, I can take it that if the second man, the latter man, was not the recommendation of the Post Office official, then the latter man got the appointment by the exercise of discretion by the Civil Service Commission. They are the body to explain to me why?—A. The Civil Service Commission?

Q. Yes.—A. Yes.

Q. I want to get at the responsibility?—A. That is quite right.

Q. I would like to ask one further question. You say that all this material —the sworn statement of the candidate, the rating of the Post Office official and so forth—goes to the Chief Examiner or to one of the examiners of the Civil Service Commission?—A. To the Post Office examiner.

Q. Then does he, in turn, make a recommendation to the Commission?—A. He makes his recommendation to the Chief Examiner.

Q. And does the Chief Examiner, in turn, make a recommendation to the Commission or does the Chief Examiner say, "John Jones has the job"?—A. No, no. The Chief Examiner may approve the recommendation of the Post Office examiner or he may not.

Q. In which event he recommends somebody else?—A. No. He may make a notation of what his opinion is and he has the privilege of making such a recommendation.

Q. And then would the whole matter ultimately come before the Civil Service Commission as such in the exercise of its discretion?—A. Yes.

Q. And when you say before the Commission, does that mean before the whole Commission, or before one member of it?—A. If they have any difficulty, it would come before all of us; if it is a clear sailing case—

Q. In every case the question is to choose the most meritorious man under the present system, is it not?—A. Yes. It goes to the Chairman first. Post Office is one of his departments. The Chairman looks over these documents. He has those documents in front of him. He has a recapitulation of the whole thing. He has the statement of the examiner with the approval, or disapproval, or whatever it may be, of the Chief Examiner. That goes in front of the Chairman. The Chairman considers that, and if he thinks that is not in his judgment a proper recommendation he makes a notation to that effect and

initials it. It comes to me or, as the case might be, to Commissioner Tremblay and he looks it over. If he is satisfied with the decision of the Chairman he initials accordingly and then it will come to me, or vice versa, and I may dissent or I may approve.

Q. Now, assuming that in the course you have just outlined you have a dissenting Commissioner, then would the matter come up for discussion at a meeting of the three members of the Commission?—A. If the dissenting Commissioner wished to have it brought up and discussed, it would become a board subject.

Q. Supposing the Chairman, having looked over the recommendations and so forth, is doubtful as to the report of the Chief Examiner, the Post Office official and so on, and he then takes it to Commissioner Tremblay and to you, and you both hold a view different from that of the Chairman—that is, you approve of the recommendation made by the Post Office official and the Chief Examiner and so forth; then what happens to it?—A. Well, if it is a clear case of approval I say so.

Q. Supposing you disagree. Supposing the Chairman sent you a memorandum in which he says, "I approve of this appointment, but I think it should be submitted to the other Commissioners." Both you and Commissioner Tremblay disagree with the Chairman, what happens?—A. If we happened to agree, the majority prevails.

Q. Then what happens? Do you send it back to the Chief Examiner and ask for another recommendation?—A. Oh, no. We have agreed on a man.

Q. I see. The Chief Examiner's recommendations would recommend 1, 2, 3, 4 and 5 in some order for appointment?—A. The Chief Examiner does not, as a rule, make the recommendation, but he surveys the parties in front of him. He considers all these cases when they come from the examiner. He might send it to Dr. Roche without any comment at all, without any recommendation.

Q. Which means he neither approves nor disapproves?—A. He initials and approves it. He always does something. If he approves that, it goes to the Chairman, and the Chairman may approve, or disapprove, at his discretion.

Q. I appreciate that. Now, I assume that the Chairman is sufficiently doubtful that he refers it to the other members of the Commission, and the other members of the Commission are of the opinion that the man recommended by the Post Office official, and passed upon by the Chief Examiner of the Civil Service Commission, should not be appointed, and they are in favour of No. 2, say, on the list. Then, what happens? Does the Civil Service Commission convene together and sit down and discuss the merits or demerits, or is that matter at an end?—A. Pardon me, Mr. Chairman. You assume that Dr. Roche would send it in for my opinion before he makes his own.

Q. No. I assume from what you have told me that Dr. Roche—we will take an instance—approves of the appointment recommended by the official of the Post Office department?—A. Yes.

Q. Now, it comes to you and you disagree?—A. Yes.

Q. It goes to Commissioner Tremblay and he disagrees. I want to know what happens?—A. If we disagree, we approve of somebody.

Q. Then, surely, you and Commissioner Tremblay and the Chairman of the Commission must come together in conference and sit down for that purpose, do you not?—A. Not always. We do frequently; but not always.

Q. You and Commissioner Tremblay might get together and say, "we both disagree with the Chairman's recommendations"?—A. It would be quite as likely that Dr. Roche and I would get together and I would tell him why I was disagreeing.

Q. Ultimately two of you would recommend somebody other than the recommendation of the Post Office official?—A. We might, yes.

Q. If you did, do you go ahead and appoint the man on whom two of you are agreed?—A. We approve of his appointment.

Q. And having approved of his appointment, he is notified, and is he then automatically appointed, or is that one of the cases in which the Deputy head of the Post Office department could say "rejected for unsuitability"?—A. That is one of the cases.

Q. And if he rejected your choice for unsuitability the mill starts all over again?—A. Oh, no. The latter end of the mill. Say the butt end of the mill.

Q. What would happen?—A. It would come back. If he rejected it, we would have to make another appointment.

Q. And would there be a new recommendation from the Post Office official? —A. No. He would have nothing more to do with it.

Q. It would go back to you and you would make a second choice?—A. Yes. We would make a second choice.

Q. And if that choice were rejected for unsuitability it would come back and you would make a third choice?—A. Yes.

Q. And so on until somebody satisfactory to the Post Office department was chosen?—A. It has happened that nobody was satisfactory, and we had to re-advertise.

Q. The whole list would be exhausted?—A. Yes.

Q. Then it becomes an open competition?—A. It has been an open competition all along; it is repeated.

Q. You say you advertise. You broadcast it to all the public, and you may have a greater number of applicants than previously?—A. We might.

Q. And with respect to these applicants, does the same official of the Post Office department go out again to examine those applicants?—A. Not necessarily, but usually.

By Mr. Vallance:

Q. Do you, as a Commission, maintain a body of examiners that you send out into the country, or do you do the same with every department of the government that you do with the Post Office? That is, you use some officials of various departments of government to go out and take the examination of any applicants?—A. Wherever possible. We pursue the same policy pretty well—pretty closely. In National Revenue—

Q. Take the instance of the Interior department at the time more especially when it had the control of the natural resources in the west, would you use, say, a homestead inspector or somebody of that type to go out and make an examination? So that the examination of a civil servant going into the Post Office department is not peculiar to one department of government?—A. No, not by any means.

By Mr. Ernst:

Q. If there should be an instance where the Commissioners do disagree and there is a majority decision, is the fact that there is a disagreement, and the decision is a majority decision, indicated to the department concerned? —A. No.

By Mr. Bowman:

Q. Is there a record kept?—A. Yes. A record is kept of everything.

Q. Who would you say, in all this procedure, is the key man—the man upon whose judgment you finally rely?—A. Well, we have to rely on our own; in my own case, on my own.

The CHAIRMAN: I suppose, Mr. Bowman, what you want to get at is that if you wanted to appoint somebody to a position, which job would you rather have?

Mr. BOWMAN: Not at all.

By Mr. Bowman:

Q. The point I want to make is this: Is it the man who goes out and makes this examination who is the key man, or are you the key man?—A. Well, we should not say there is a key man at all.

Q. Where does all this boasted system of examination come in?—A. If you give me an instance—

Q. Take the instance we are talking about, the Post Office appointments? —A. The inspector who goes out in that case is an employee of the Civil Service Commission for that purpose—for that particular purpose. He has other duties, but that is one of his duties.

Q. Usually an inspector?—A. Usually the inspector; but it is always the Inspector, unless the superintendent of that district wishes to take the job on himself, and he, for the time being, is an employee of the Civil Service Commission, under an arrangement with the Post Office department.

Q. That is quite clear.—A. You asked for the key position.

Q. I am asking about the key position. I want to know who it is. Is it upon the result of the examination that the appointment is made?—A. There is no written examination there.

Q. No, no. It is an oral examination. Upon what is the official appointment based?—A. It is based on the Inspector's report and the application, the sworn facts and the application form, and the reports we have had as to character and suitability and such like from leading citizens of that community.

Q. Yes, but the special officer, the superintendent or whoever it may be, actually rates these applicants in order?—A. Yes. He is supposed to.

Q. He makes a rating?—A. Yes.

Q. He returns that to the Post Office department?—A. Yes.

Q. And if the rating is not suitable to them, perhaps, they send them back for another rating, is that so?—A. We cannot quite say that they do that. That could happen.

Q. As a matter of practice, does it happen in the department?—A. It does not as a matter of practice, no.

Q. It does not. Do you not know of cases where they have been sent back for re-rating by the examining officer?—A. I know of cases where another officer has been sent. It is usually another officer, not the original man himself to be sent back to change his ratings. We may send another officer, if there is some doubt. Just what the purpose is I am not able to tell you.

Q. Frankly, cases have been referred to me where I know there have been several ratings made by the same officer?—A. That is quite possible.

By the Chairman:

Q. If a second officer is sent out from the Post Office department and makes a second rating, do the reports of both officers, which differ, come before the Commission?—A. They do not always come, and that is a contentious situation. We do not know. Even if we may suspect that two ratings have been made we do not know, unless we see both, and we do not always see them.

By Mr. Bowman:

Q. Let me go back to my original question again. I started by asking you who was the key man and your answer was that you yourself was the key man? —A. No, no. Pardon me. I said that I depend on my judgment. On whose judgment do I rely? On my own.

Q. That is your own judgment?—A. Yes.

Q. And when it comes to your office you take the material that has been submitted to you in the form of affidavits by the different applicants?— A. The sworn declaration.

Q. And the return by the inspector or officer of the department who made the examination?—A. Yes. That is not all, but that is the principal one.

Q. Those are the principal things?—A. Yes.

Q. And you may come to an entirely different decision to the man who went out into the field and made the examination?—A. We might.

Q. And often do, as a matter of fact?—A. I would not say often; but we do.

Q. It is not uncommon?—A. It is not uncommon.

Q. In the examination—the general examination of the department, the oral examination counts for considerable in the matter of weights, does it not? —A. It depends on what the position is.

Q. In the position we are talking about in the Post Office department, the oral examination is really the only examination.

The CHAIRMAN: It is the whole thing.

The WITNESS: Oh, no, pardon me.

By Mr. Bowman:

Q. What other examination is there?—A. We have the Post Office examiner who goes into the documents provided by the man in his application which, after all, we have to give some recognition to, in the sworn declaration.

Q. The sworn declaration would be prepared, and probably in ninety-nine cases out of a hundred is not prepared by the local man himself; it may be prepared by a local lawyer, or a magistrate?—A. I would not like to reflect on the local lawyer.

Q. It is only an affidavit prepared by the local lawyer, or the local magistrate, upon instructions from the man himself?—A. Quite so.

Q. As to the facts?—A. Quite so. But we have his sworn declaration and we have the sworn declaration from the officer accepting his general declaration which he makes at the beginning.

Mr. VALLANCE: Not from the lawyer that makes it out.

The CHAIRMAN: It is not a written examination at all.

Mr. CHEVRIER: The position does not call for a written examination in that case.

Mr. BOWMAN: I am not saying that the position calls for a written examination, but the principle behind the merit system is that the best man, from the point of view of merit, ought to get the job. That is primarily based on an examination, is it not?

The WITNESS: Yes.

By Mr. Bowman:

Q. And the only examination you have, in the case of post office officials, is an oral one?—A. With a great many.

Q. Tell me some others.

The CHAIRMAN: Say postmasters, instead of Post Office officials.

Mr. CHEVRIER: Why try to take an instance and make out a case on the merit system, where there is no examination written. If you want to try out the way the merit system is applied, you might do it two ways. You might take it in the case where you have the written examination, followed by an oral examination, or you might take an ordinary position, where there is no written examination called for. Take the two separately; do not mix them up.

The CHAIRMAN: At the moment we are taking the case where there is not a written examination.

Mr. CHEVRIER: Don't ask if there is one and what documentary evidence you have.

The CHAIRMAN: We will be glad to take up one later.

Mr. CHEVRIER: You must not mix the two up.

Mr. BOWMAN: I want to get the practice in this particular case, and I think I am just as capable of knowing what I want as Mr. Chevrier is of telling me what I want. As far as I, personally, am concerned, I am in favour of the merit system, but I want to know how it is working out under this present Civil Service Act, and that is what we are appointed for.

By Mr. Bowman:

Q. In the case of Post Office appointments—appointments of postmasters, the only examination there is the oral examination?—A. Are you speaking of anybody—the same case as before—a rural Post Office?

Q. Yes, a rural Post Office?—A. Oh, yes; the oral examination and the examination, as we term it, on education and experience which is in the offices of the Civil Service Commission.

Q. That is on the statement from the man himself?—A. Not only from the man himself; he has to send references.

Q. So that the rating of the Commission may be entirely different from the rating of the officer of the department who actually goes out to make the examination?—A. It might be.

Q. As a matter of fact, in regard to the rating of the officer who goes out to make the examination—to use the expression you used a little while ago—he may not like the colour of this fellow's hat?—A. Quite probably.

Q. And his examination depends upon the man's appearance, how he strikes him as being a man who would meet the public in an affable way and conduct the affairs of the Post Office well?—A. That is the supposition.

Q. So that there is a considerable difficulty in the matter of postmasters, at least? At least, a lot of things might happen from the time the original recommendation of the examining officer is made until the final appointment is made between the man who originally stands highest and the man who stands lowest?—A. Yes. You have put your finger on one at the outset. The Post Office might send another officer back to get another report.

Q. And the man who was originally rated first may, as a matter of fact, have the least chance of getting the position?—A. If he has the qualifications as we determine by searching the statement he makes there, then he has a pretty good chance.

Q. The qualifications from the point of view of the Commission?—A. Yes. Suppose a man said that he had two or three years' experience in such and such a Post Office. We verify that. That is his sworn statement.

Q. That is one thing that would, of course, weigh very heavily with the Commission?—A. It is post office experience, and other things being equal, that has a weight.

Mr. VALLANCE: To get away from the Post Office for a moment. You mentioned some of the departments of the government which are not under the Civil Service Commission. You mentioned, for instance, the National Research Bureau. Has there been suggestion made from the Bureau to the Commission that they come under the Civil Service Act?—A. No.

Q. There has not been any suggestion?—A. No.

Q. In your opinion, then, Doctor, in so far as these people are concerned, do you think you would be in a better position, as a Commission, to make appointments to the Research Bureau than those who are now responsible for it?—A. I think so, and I will tell you why. We would not make an appointment to the Research Bureau, without first having a representative, we will say Dr. Tory, and a law officer probably, and technical outsiders to advise us. Dr. Tory would be there himself, or his deputy, or somebody to deputize for

him, and the department would have a representative to express an opinion on the applicant. That gets back to what I was saying, that the department must be satisfied. It is no use to appoint anyone if they won't have him.

By Mr. Ernst:

Q. In what way would it be improved if you take Dr. Tory's advice?—A. You will find, if you looked into that appointment, if you look into some of the files here, some of the records, of our advisory boards, you will find those advisory boards were there for the purpose of advising us on peculiar cases.

Q. What I was trying to make was this; the power of selection now, at least in theory, is exercised through Dr. Tory as head of the department?—A. No.

The CHAIRMAN: The Research Council.

The WITNESS: No. He knows the man, but our commissioners are there to see that the Civil Service Act is carried out, and that the applicants are properly graded.

By Mr. Ernst:

Q. Do you examine for the position of the Bureau at all?—A. No.

Q. Not now?—A. Never did.

Q. What I am saying is, in theory, Dr. Tory is to-day the proper advisory factor in selecting any person for the Research Bureau?—A. I don't know.

Q. Well, if you bring Dr. Tory in as an advisor, then you either accept his views or you do not. If you accept his views as the determining factor, you are no farther ahead. If you do not, he might exercise his power of rejection? —A. He might do that. That is not the only thing. You do it on probationary and different jobs, much inferior jobs. We have an advisory board, and it becomes a case, as I have said, of elimination, getting this one out, and that one out. The department names a particular adviser, it may not be Dr. Tory, but in the case of the Research Council it is Dr. Tory, or somebody named by him.

By Mr. Vallance:

Q. The reason why I asked you the question, is this: that in the final analysis if the change as suggested by you was brought about, what are the benefits, if any, that will accrue from the change?—A. Well—

Q. I am not a lawyer, but it seems to me to be a case of fencing around, and not asking a simple question. Being a "hayseed," I am asking a simple question, what are the benefits?—A. Just the same benefits that come to anybody. He has, or is supposed to have, better protection than he would have from a separate institution or body or branch, not in the Civil Service.

By Mr. MacInnis:

Q. What is the reason?

By Mr. Vallance:

Q. If they have not asked for it, Doctor. You say they have not asked for it.—A. No.

Q. You say they would have better protection?—A. I don't say they would have. That is the usual consensus of opinion of those who are working in those places. I don't like to take an instance. Take the recent instance of the Tariff Board, or the Interior department, or some part where a lot of people were let out.

By Mr. Laurin:

Q. Neither do the appointments of senators—A. Senators?

Q. It is not your intention that the Civil Service Commission should appoint senators?—A. Pardon me, I am sorry—I don't understand.

Q. It is not your intention that the Civil Service Commission appoint senators?—A. Not senators, no.

By Mr. Bowman:

Q. You would not take that heavy responsibility?—A. No; we would rather appoint ourselves first.

By Mr. Vallance:

Q. I think your responsibilities are much heavier right now than if you had the appointing of senators.—A. I hope the appointing of senators is easier.

The CHAIRMAN: Let us get back to the matter we were discussing.

By Mr. Chevrier:

Q. In regard to the taking over of the National Research Bureau, I understand the Civil Service Commission is rather jealous, and quite properly so, of the administration of the merit system, and your desire would be to take in the National Research Bureau?—A. I do mention it, Mr. Chevrier, but I think it would be far better to take in the appraisers in the National Revenue.

Q. I understand you would like to have them under your jurisdiction?—A. Yes.

Q. I understand that the department has not asked you to do it?—A. They took it from us, by Act of Parliament.

Q. You want to get it back. The reason I understand, that you want to get it back is that under the merit system you feel that the employees would get much more fair play: would get more of the merit system, if they were within your jurisdiction than if left on outside appointment?—A. Yes.

Q. That is your reason for suggesting they should come in?—A. And they would get that.

Q. Admittedly, supposing that were so?—A. Yes.

Q. Your reason for bringing them in, is that you, as administrator of the merit system, think that those employees would get the merit system more under your wing than if they are left in the outside world?—A. Yes.

By Mr. Bowman:

Q. Do you mean that the Commission would like to have a little more power?—A. We all want power—more power to us. If I might enlarge on what Mr. Chevrier stated, I can give you a concrete example of the meaning of that by an illustration. An appraiser might be appointed by a minister, or by an order in council, recommended by the minister, or his deputy, however it might be done, we don't know how, but as it goes, they make their own appointments. It is a branch, you say, of National Revenue, a large department. One of those men wishes to apply for promotion into another branch of the National Revenue, and we could not agree to his passing into—his taking part in that promotional examination—for the simple reason we had nothing to do with his appointment in the first place; therefore we could not properly recognize him as a man who had gone in there on the merit system.

By Mr. Ernst:

Q. They were taken away after a recommendation by a committee of the House of Commons, were they not?—A. Probably it was three years ago, by Mr. Euler.

By Mr. Chevrier:

Q. It was not a committee of the House?—A. No, no.

Q. I think you mean by Act of Parliament, an amendment to the National Revenue Act.

By Mr. Ernst:

Q. Was not that done as a result of the Customs' inquiry?—A. No, nothing at all to do with any inquiry.

By Mr. MacInnis:

Q. What was the reason they were taken away?—A. Well, I cannot give you any reason. I suspect the department thought, honestly thought, that they could make better appointments of appraisers than the Civil Service Commission. There are not many of them, only roughly 200 in the branch that was taken out.

By Mr. Chevrier:

Q. There were probably more about that time. As a result of the operation of the law, a large number of them were needed at that time?—A. Yes, that is probably the point.

Q. It does not do away with the merits of your case?—A. No.

The CHAIRMAN: Or any other general case.

By Mr. MacInnis:

Q. The National Research Bureau, were they ever under the Commission.—A. Never.

Q. What reason do you give for that?

The CHAIRMAN: It was created by statute.

The WITNESS: Created by statute, and preferred to make their own appointments.

The CHAIRMAN: There is a special statute for that.

By Mr. Chevrier:

Q. Are you aware whether in the National Research Bureau there are many technical positions, like chemists?—A. No. I have no information.

Q. No information?—A. No information.

By Mr. Bowman:

Q. What particular advantage would there be to the government of the country.—A. In what way?

Q. In the transfer of this department, to your jurisdiction?—A. Well, if you will look you will find—I don't know—we will take the National Research Bureau as an instance. I don't actually know this, but I would be quite safe in saying it, because I discussed the matter before with Dr. Tory when he was selecting his staff. I think the staff there is paid probably 25 or 50 per cent higher than any similar positions in the service.

By Mr. Ernst:

Q. Technical staff?—A. Technical, all kinds of chemists.

By Mr. Bowman:

Q. But, of course, that is to be expected.—A. Well, if you think that is in the interest of the public service, I agree with you.

Q. What is your own opinion?—A. I say I agree with you.

Q. What would be the advantage, therefore, or the disadvantage?—A. If they were,—if they had come in about the time they came under, or a little later, they would have come under the Beatty Report, which advocated considerably higher salaries for those similar positions in the Civil Service. The Commission is on record as being in favour of that. But that was never brought about. The Research Bureau, which was not under the Commission, could act as we presume many did, and pay what salaries they wished, and as Dr. Tory said, go out and get the men that they knew were qualified, and bring them in and pay a sufficient salary to get them.

Q. Then you are of the opinion that if they were brought under the Civil Service, they would have received higher salaries?—A. No.

The CHAIRMAN: It is the other way around. The doctor's point is the National Research Council pay higher salaries to their technicians than are paid to men holding similar technical positions in the Civil Service, owing to the fact that they are not a part of the Civil Service, and do not come under the jurisdiction of the Commission.

Mr. BOWMAN: Quite right.

The WITNESS: That is the point.

Mr. BOWMAN: The doctor also made a remark that the Beatty Commission recommended much higher salaries.

The CHAIRMAN: For civil servants.

The WITNESS: And technical officers, too, in the service. So if the Beatty Commission Report had been adopted and carried out, those salaries would have been agreed on.

By Mr. MacInnis:

Q. You do not say that technical men in the National Research Bureau should have higher salaries than technical men in other departments for similar work?—A. No.

Q. Well, there is just one other point I wish to make. It is presumed that the Civil Service Act acts in the interest of the Service and also in the interest of the employee. There should be very cogent reasons put forward if any employees were taken out from under that Service. Is not that your position?—A. Yes.

The CHAIRMAN: Is that all, gentlemen, on this phase of the question? If so, I should like to get a little information from Dr. MacTavish. We discussed at some length, Doctor, the appointment of postmasters without written examinations. What other positions are there under the jurisdiction of the Civil Service Commission to which initial appointments are made without written examinations?—A. Oh, quite a good many, practically all technical and professional positions, and in the lower order too—a great many without written examinations.

Q. Such as census clerks?—A. No, census clerks are examined. You would get more precise and better information by consulting Mr. Foran, the secretary, when he comes before you.

The CHAIRMAN: Mr. Foran, would it be possible for you to let the Committee have that in the form of a written memorandum—positions to which initial appointments are made without written examinations.

Mr. FORAN: They are already made out.

The CHAIRMAN: Then I would like to get another piece of information. How many permanent civil servants are there in Canada to-day under the jurisdiction of the Civil Service Commission?

Mr. FORAN: Classified positions, 35,000.

The CHAIRMAN: How many temporary?

Mr. FORAN: That includes the temporary employees. All these figures have been given to you in the statements forwarded. I have included them in the statement.

The CHAIRMAN: You have them at your finger-ends. I want to get them in this black book of mine. Classified positions, under the Civil Service Commission, 35,000. Approximately how many of those would be permanent and how many would be temporary?

Mr. FORAN: Well, I would say, 22 and 13.

The CHAIRMAN: Twenty-two thousand permanent, and 13,000 temporary. Thank you very much.

By the Chairman:

Q. Doctor, have we got down towards the end of your list?—A. You are pretty near it. If I could have a few minutes more I could finish it.

Q. You would prefer to finish it to-day?—A. I would prefer to finish it now, if that is agreeable. It won't take long. Then, my fourth suggestion is, should promotions be made by the Commission on the recommendation of any of the department officials, and should such promotions be by seniority or merit?

By the Chairman:

Q. Before you give that, there is one other thing I wanted to get. Are not examinations required under the Civil Service Commission administration in regard to promotions?—A. Not required, no.

Q. None at all in any case?—A. No.

Q. Now, go ahead.—A. The present system, I don't know whether you have studied it, but under it it is done by weights and ratings on weights. That is, two departments have a vacancy, we will say. We will take the Post Office department as an instance. They have a vacancy, and there are, we will say, twenty clerks who apply for that vacancy. They are rated by their immediately superior officer, the head of the branch, or of several branches, and in most cases they have what they call a rating board. Those ratings come through to us with a weight of two for seniority, three for efficiency, and five for fitness, making ten, so that fitness is fifty per cent of the total. There is always a complaint about promotions. When a promotion is made those that do not get it are disappointed and the one is pleased, but under the system which we are now following there are very few complaints, that reach us at any rate. It is generally conceded by the associations, I think, that it is about as good a system as we can devise. A group of postal officials came before us a short time ago complaining—they were letter carriers—about promotion and such like, and I asked them if they could suggest any better way and they had to admit that they could not suggest a better way. I cannot myself. I have tried to devise a better scheme, but, taking the human element, the present system is about as good as it could be, and it gets back again always to the point where we must satisfy the Department. The Department can reject, but I do not know that you are very much interested in promotions.

By Mr. Ernst:

Q. That is very similar to what Dr. Roche said?—A. Yes.

By the Chairman:

Q. Do I understand that the department head can reject a nominee of the Civil Service Commission for promotion the same as for official appointment?—A. That is putting it the wrong way. That is putting the horse before the

cart. They give us a rating, and if we have any reason for suspecting—it is something like a football match, that is the plainest way to illustrate it, we are umpires—and if two of them get their heads together and they say so and so should get this, the umpire declares it.

Q. And in this football game, I suppose like most of them football brains counts as well as kicking ability?—A. Sometimes brains count a good deal.

By Mr. Ernst:

Q. You put your stamp of approval on it?—A. If there is any reason why we think those are not *bona fide* ratings or if they are too close to be safe, or for any reason we wish to give, we may have a written examination and that determines, the two together, the result. I did not know that Dr. Roche had enlarged upon that.

This is my last point—re-organization, going into the department and re-organizing. "Why does not the Civil Service Commission re-organize and reduce staff, have fewer people"? Dr. W. L. Grant, of Upper Canada College, had a series of articles printed and his chief complaint—after criticizing the Commissioners themselves for their inability—was that they did not reduce the staffs, there was too large a classification. Now, that is something that you gentlemen will probably consider—are the staffs too large. And the Civil Service Commission, I can say in one word, has nothing to do with it, because if we were to go in and re-organize a department, without its permission, or without its request, we could not re-organize it.

By Mr. Chevrier:

Q. You could only do it on demand?—A. On demand, and with co-operation.

Q. That is under the Act?—A. I know it is, but the general opinion is that the Civil Service Commission is responsible—

Q. Not of those who know?—A. Not of those who know.

By the Chairman:

Q. In other words, you have no statutory powers which would enable you, as a Commission, to act as efficiency experts in organizing any department?—A. Oh, yes, we have.

By Mr. Ernst:

Q. By request.—A. We could not achieve it, except by request.

By the Chairman:

Q. Theoretically, you have the powers. Practically, it is not possible for you to work it out, except with the concurrence of any particular department?—A. Exactly.

Mr. CHEVRIER: That is section 9 of the Act.

By the Chairman:

Q. And that, I suppose, presents the difficulty, that if they invite you, it is an admission of inefficiency on the part of the department heads or some of the higher officials of the department and, therefore, not likely to happen?—A. It is not likely to happen, but still I think a good many of them might be glad, if it could be brought about, if the Civil Service Commission had power to do it; but not without co-operation.

By Mr. Chevrier:

Q. In view of the reclassification that took place some years ago, and the general upheaval that followed, what would be the necessity to-day for reclassification of the whole service, is there any need for it?—A. There is no great

urgent need. I do not see that it makes any difference whether you call a man an engineer grade 2 or an engineer grade 2B, or anything else, it might cause a little more bookkeeping, but there is no increase now. Staffs are decreasing all the time.

Q. Since that general reclassification, is there any imperative need, to-day, for a general wholesale investigation into the service, for the purpose of reclassification?—A. No, I don't think so.

By Mr. MacInnis:

Q. In the beginning of your examination, Doctor, you said that the Civil Service might be likened to a great machine. Don't you think that a machine, particularly one of the magnitude of the Civil Service, ought to have someone whose business it was to see that it was always kept in the best running order?—A. Yes. Might I say in reply to that, Mr. Chairman, that the illustration I gave is quite good, and what you say is quite to the point. We must keep that machine moving all the time. There is something that stops it or something goes wrong. I can say this: I think that the other night, in the House, the Prime Minister in another connection said that there is "a hidden thing". That was a very apt phrase that he used. I would say, in my less apt manner, that it is someone putting a monkey-wrench in the works and that monkey-wrench is public opinion. If public opinion were not so strong against the Civil Service Commission to stop the machinery going smoothly, it would go smoothly.

By the Chairman:

Q. We are led to believe, by some of the newspapers, that public opinion is very strongly in favour of the Civil Service Commission?—A. Not in the way I speak of it.

Mr. ERNST: I would not make any admission that public opinion is against the Commission.

The WITNESS: All the complaints we hear, and the complaints you hear, are the result of the most of people all over the country who come out dissatisfied from examinations—the Commission is rotten, the examinations are rotten, and such like. Now, that is spreading all the time and we cannot help it. That is what I mean by public opinion. I do not mean the disinterested public opinion, but the people who have tried examinations and who have failed. They say the system is no good. That is what I mean.

By the Chairman:

Q. Doctor, I wanted to take up something here. I discovered a short time ago that in the Post Office department, for example—

Mr. BOWMAN: Mr. Chairman, perhaps we could continue with Dr. MacTavish again. It is now a quarter after one.

The CHAIRMAN: He does not want to come back. He really should have his arm in an upright position.

By the Chairman:

Q. I discovered, in the Post Office department, that they have a form called an "annual efficiency report," apparently a document made out annually by some superior officer as to employees under him?—A. Yes.

Q. And then there is another form called a "promotion rating form" which is made up?—A. Yes.

Q. Do those annual efficiency reports for all candidates for promotion come before the Civil Service Commission, together with the promotion rating form, when they are considering the question of promotion?—A. No.

Q. So you have not the advantage of these forms?—A. No.

Q. All that comes before you is the promotion rating form made up by some official? When I say that comes before you, I mean in relation to a man's progress?—A. Yes, what we call a rating sheet, signed by one or other of the officials.

Q. And that is made up by some official of the Post Office department?—A. Yes.

Q. Can you tell me if that same system prevails generally throughout the departments, or is that confined to the Post Office department,—the annual efficiency reports?—A. I don't think so. I don't know of any other department where it does prevail.

Q. If, as a matter of fact, there came to the Commission, along with the promotion rating form, these annual efficiency reports, it would give the Commission, or their officials, a source of valuable information, would it not, in making those promotions?—A. Well, I think it would. It is a question again of whether it is worth the effort, worth the money.

Q. Of course, they are made out anyway and they are available.—A. I really don't think that they quite depend on them.

Q. You do not think they are consistently made out?—A. I do not think they depend on them. They are not used, as far as we know.

By Mr. Chevrier:

Q. Are they not used for the purpose of statutory increases in the department?—A. I cannot tell you that. It might be for that purpose, but that would be purely administrative.

By the Chairman:

Q. It occurs to me that if there was any question as to the rating, if they are rating employees in the department, there could be no finer check than referring to those annual efficiency reports.—A. They would be a fine thing if they were kept up.

The CHAIRMAN: That is all I had in mind. Is there anything else from Dr. MacTavish?

By Mr. Bowman:

Q. Dr. MacTavish, the creation of an actual position never originates with the Commission?—A. No.

The CHAIRMAN: Gentlemen of the Committee, just before we adjourn, there are some representatives here, from out of town, in connection with some of these organizations and I assume they are running expenses here. We have got a lengthy job ahead of us. We had planned to take Commissioner Tremblay this morning but have not had time to do so. Would the Committee consider sitting this evening for a while?

Mr. ERNST: Why not this afternoon?

The CHAIRMAN: Well, the reportorial staff is pretty heavily burdened.

Mr. VALLANCE: Well, Mr. Chairman, this is Wednesday and some of us have made arrangements for to-night.

Mr. CHEVRIER: Can it be made known that people cannot rush down here to be heard at the outset. Outside organizations should notify us ahead.

The CHAIRMAN: I think the Press have done their best to assist us in that regard.

Mr. ERNST: It seems to me we ought to hear Mr. Foran, for instance, after we hear Commissioner Tremblay, so that we will get the basis of the whole system.

The committee adjourned to resume at 4 p.m.

AFTERNOON SESSION

The committee resumed at 4 p.m.

The CHAIRMAN: Mr. Tremblay.

J. EMILE TREMBLAY, called and sworn.

By the Chairman:

Q. Now Mr. Tremblay, you have heard the evidence given here by the chairman of the Commission, Dr. Roche, and by Commissioner MacTavish?—A. Yes.

Q. Would you just proceed with any observations you desire to make, either with respect to the suggested amendments to the present act, the administration, or other matters that you care to advise upon.—A. I entirely endorse the recommendations made by Dr. Roche, and his suggestions, with one exception, and that is the one dealing with the appointment and promotion of assistant postmasters —postmasters' assistants; with the others I am in entire agreement.

Q. With respect to the promotion of assistant postmasters to postmasterships, what are your views there?—A. Well, I do not agree with that. I think it would be very difficult to word an amendment that would be workable, and which would not lead to abuses—I mean, that would be correct in all cases. I would be afraid of it.

Q. Then Mr. Tremblay, did you understand the suggestion to be that the assistant postmaster should always be promoted to the position of postmaster?

Mr. CHEVRIER: May I just make this observation? I notice that the Press cannot get the benefit of the witness's deposition. I see they are labouring rather hard to get what he is saying. I do not know whether we can arrange the seating any better, but they are having a lot of trouble.

The CHAIRMAN: We are holding only this sitting here, because the other room was taken by a Senate committee.

Mr. CHEVRIER: I know. I just say that because there seems to be a lot of difficulty in getting down the evidence.

The CHAIRMAN: Try to speak a little louder, please. I just do not follow the point with which you are not in agreement with Dr. Roche or Dr. MacTavish.

Mr. BOWMAN: I remember Dr. MacTavish making a suggestion yesterday that in the event of a postmaster dying, his widow or somebody who had been in charge of the post office, might very well, in most cases, be appointed.

Mr. ERNST: I thought it was in exceptional cases.

The CHAIRMAN: I thought Dr. MacTavish merely outlined the difficulties with which the Commission were confronted in regard to such a situation.

Mr. ERNST: At times.

The CHAIRMAN: At times.

Mr. BOWMAN: Oh, I did not understand that.

The CHAIRMAN: I did not understand him to recommend that.

Mr. BOWMAN: Yes.

The CHAIRMAN: Yes, to the extent that in certain specific cases the returned soldier preference should not rigourously apply. Was not that the point?

Mr. BOWMAN: I remember asking the doctor if it would not be a pretty hard amendment to work and he admitted it would, but it was in connection with this matter.

The CHAIRMAN: Let us get Mr. Tremblay's idea. I do not quite clearly understand what his ideas are, and that is what I am struggling with at the moment.

WITNESS: What I had in mind was this. I know of cases where it would be very useful if the Civil Service Commission had the power to appoint assistants, but I would be afraid if you were to make it a general amendment, it would be worse, possibly, than the difficulties you are trying to remedy.

By the Chairman:

Q. Dr. Roche said yesterday, gentlemen, just for the record: "When, of course, the vacancy occurs, the whole community, perhaps, are in favour of the widow succeeding that man. I am just indicating the widow by way of illustration; it may be another person who has been the assistant who has been in that office, who has no connection with the family, but he or she has had the experience. Unfortunately they are not civil servants under the interpretation of the Act. They were appointed by the postmaster, and were paid by him, and therefore, they cannot be promoted. We have had numerous instances where the whole community were opposed to us advertising that position, and a returned soldier came in and replaced the person whom, on compassionate grounds, the whole community wanted, and who also had the experience. It is worthy of consideration by this Committee. It is something that personally I have been in favour of for quite a few years, and it was recommended to the Malcolm Committee." That is the matter you have reference to?—A. Yes.

Q. Your view is that no amendment to the Act which you can foresee would make the situation any better than it is now?—A. No.

Q. Now, is there anything else, Mr. Tremblay?—A. I have nothing else.

Q. Are there any questions any of you gentlemen would like to ask Mr. Tremblay in connection with any matter?

Mr. BOWMAN: There are some routine matters, Mr. Chairman, that I would like to get some information about. I have been wondering if it would not be better to leave them until Mr. Foran is called.

Mr. CHEVRIER: Mr. Foran can perhaps give us the routine much more quickly and shortly.

By Mr. Vallance:

Q. Don't you think it might tend to more efficient service in the post office if it were possible?—A. In some cases, yes.

Q. Because to-day, as it is, there is no inducement offered an assistant postmaster. There is nothing to aspire to unless he is a returned man.—A. What I had in mind is this: That this man was not selected by the Civil Service. He was not selected through competitive examinations. He was merely picked by the postmaster. He might be a good man, but if this man were selected and if we bring him into the service without competition, that is my objection.

By Mr. Ernst:

Q. By way of adhering to the merit system.

Mr. VALLANCE: A man must be a pretty good man to be able to carry on as an assistant; and in many cases, and in many stations they do most of the work.

By Mr. Laurin:

Q. An assistant often bears the greater burden of responsibility in operating a post office.—A. Generally, yes.

Mr. ERNST: Mr. Tremblay is objecting to the way he is selected.

By the Chairman:

Q. There is something I am not clear on. In what post office does the postmaster have the selection without reference to the Civil Service Commission?—A. In all post offices where the postmaster is paid through revenue.

Q. That is what you call a revenue post office?—A. The postmaster selects his own assistants and pays them.

By Mr. Chevrier:

Q. The revenue goes up to what? How high does revenue go before a case is turned into the Commission?—A. Oh, there is no set figure that I know of.

By Mr. Vallance:

Q. For instance, Mr. Tremblay, take two cities in Saskatchewan, Battleford and Yorkton—Yorkton up until last fall was not under the Civil Service Commission?—A. Yes.

Q. Now, I do not know whether the city of North Battleford is yet under the direction of the Civil Service Commission. Now, the assistant postmaster there, in spite of the great responsibility he has, has nothing to look forward to to-day, and I think there should be some amendment to arrange that these fellows will have something to look forward to. As it stands to-day, preference is given to some fellow outside the service. I know young men in Canada to-day who are 30 years of age, who through no fault of their own were not permitted to participate in the Great war.

Mr. ERNST: Yes.

Mr. VALLANCE: One of these young men, say, is an assistant postmaster in North Battleford. The postmaster dies or resigns, and leaves the post vacant. Any returned man in the vicinity has a preference over the assistant in spite of the years that he may have spent in the service of the postmaster.

Mr. ERNST: Well, he takes the position with a full knowledge of the situation, and if you change that you will do away with preference.

Mr. CHEVRIER: Is that a revenue post office or not?

The CHAIRMAN: It is a revenue post office.

By Mr. Ernst:

Q. Do you call it a class "B" post office when you change over from a revenue post office?—A. Yes.

Q. They then become class "B"?—A. Class "B".

By the Chairman:

Q. And come under the jurisdiction of the Civil Service Commission?—A. Yes. The case of the assistant is covered by the Act.

Q. He could then be appointed to the position under section "B"?—A. Yes.

Q. Another member of the house was here this morning and asked me to get some information arising out of something that came up. This morning we were discussing with Dr. MacTavish the question of getting the recommendation of a post office departmental official in connection with promotions. Is the recommendation of the postmaster requested in respect of appointments, promotions in the staff, coming under his jurisdiction?—A. Certainly.

Q. In that case, is the recommendation of the postmaster taken into account as well as the recommendation of the post office departmental official?—A. Oh, yes.

Q. So, are you bound to act on the postmaster's recommendation alone?—A. Well, if you look at that form, you will see there is a rating given by the immediate chief of the official applying for that position. And that rating is concurred in by the postmaster, and he gives a separate rating himself.

Q. Take a concrete instance. Let us assume there is a vacancy for promotion in Toronto post office now. Who makes the rating and recommends to the Commission or to the department?—A. The immediate chief of the official applying for the position, the postmaster of Toronto, or the assistant postmaster.

Q. Then, in addition to that, is there some report obtained by some other official of the post office department, sent out from Ottawa, for example, for that purpose?—A. Not that I know of.

By Mr. Bowman:

Q. Then, the appointment is made on the recommendation of the immediate chief of the applicant, or the postmaster?—A. Concurred in by the postmaster.

Mr. CHEVRIER: There are two separate things. One is the question of appointment and the other is the question of promotion.

The CHAIRMAN: We are dealing with promotions.

Mr. CHEVRIER: This morning we were talking about appointments, and now you are talking about promotions.

By Mr. Chevrier:

Q. As I understand it, when there is to be a promotion—say in the city post office, at Ottawa—the immediate chief makes the rating, and it is concurred in by the postmaster.—A. Yes.

Q. Then it goes to the Civil Service Commission?—A. It goes to the deputy postmaster, generally.

Q. It follows the usual routine, and it subsequently comes to the Civil Service Commission?—A. Yes.

Q. Then, I understand that you have in the Civil Service Commission, certain investigators and certain organizers under the direction of the organization branch who then take it up and look through it and pass upon it?—A. Yes.

Q. Then it goes through the ordinary channels, and comes up for ratification finally?—A. Yes.

Q. That is in the case of promotion, in the Post Office, under jurisdiction of the Commission. But with the question of appointment to a post office that is not under the supervision of the Commission, there is the process that we talked about this morning?—A. Yes.

Q. If there are no other questions, I should like to ask this: Are there any other suggestions that you would like to make, Mr. Tremblay, with reference to making the Act, if I might say so, more workable?—A. No, Mr. Chevrier. We have discussed that and our Chairman has placed before the Committee the views of the Commission as such.

Q. Now then, with reference to what Dr. MacTavish said this morning about the inclusion or the taking in under the jurisdiction of the Civil Service of positions that are not now within the jurisdiction of the Commission. Have you anything to say on that; and then subsequently, have you anything to say on the release of any further positions that are within the jurisdiction of the act?—A. I am not in favour of releasing any; but I say that most of those positions could be filled with advantage by the Commission better than they could be otherwise.

Q. Even in the cases mentioned, lighthouse keeper, janitor and some minor positions. In these cases you still believe that the better way to make the appointments would be under the system now in vogue?—A. By the Civil Service Commission.

Q. You do not know of any positions that ought to be released under the present sections of the Act that are not in the public interest to be retained or that it would not be practicable to retain?—A. No.

By Mr. Bowman:

Q. Then, following what Mr. Chevrier said with respect to promotion in post offices. There is some further reference beyond the postmaster?—A. We have our own examiners and they of course scrutinize the ratings given and make a report to the Commissioners. They report the ratings given and they make a report of the facts.

Q. Then, does the Commission make the recommendation for the promotion on that?—A. Then the Commission approves.

By Mr. Chevrier:

Q. Would it not be well if we simply started from the point where the vacancy occurs, say in the Post Office department, where a vacancy as chief clerk occurs, and the department wants to fill that vacancy say, by way of promotion?

The CHAIRMAN: Is there any member of the Committee who wants that explained further? For my part, I am fully familiar with it. I think from what has been said, that every member is familiar with the proceeding.

Mr. CHEVRIER: Apparently some are not so familiar.

The CHAIRMAN: If no other member wants it explained further, I would suggest Mr. Bowman be allowed to continue. I have been trying to give him an opportunity to ask his questions, but every time he has started, Mr. Chevrier has gone ahead and asked questions.

Mr. CHEVRIER: I know all about the procedure. I am not concerned with that. I wanted to make it clear on the record just what the procedure is.

The CHAIRMAN: You are hardly giving evidence, you know. Mr. Tremblay is here giving evidence. If you will permit him to give the evidence, we will try to get it from him.

Mr. CHEVRIER: I do not like to clutter up the record with a lot of things that mislead quite innocently.

Mr. BOWMAN: Who is cluttering up the record?

Mr. CHEVRIER: Both of us.

The CHAIRMAN: That being settled, I suggest Mr. Bowman be allowed to continue.

By Mr. Bowman:

Q. Your direct answer to my question was, before Mr. Chevrier gave the explanation he did, to the effect that after the recommendation had been made by the immediate chief of the applicant for promotion, perhaps by the postmaster, then the appointment was made.—A. Well, it comes to the Civil Service Commission. We give a rating for seniority that is added to that.

Q. Then, you take a man's record, and go over it again, and make another rating.—A. Well, we give a rating according to the years of service.

Q. According to seniority?—A. That is a factor. There are three factors which govern; efficiency, good service, and seniority. These are combined and submitted to the examiner—

Q. In case there is more than one applicant for the promotion.—A. Whatever the number of candidates may be, they are all submitted with their official ratings to the examiner, and the man with the highest rating gets the promotion.

Q. What about the recommendation of the immediate chief and the postmaster?—A. That is placed before the Commissioner, too. The three ratings are combined.

Q. Supposing, for instance, that the immediate chief or the postmaster recommends one of these three, whom he thinks probably would do for the promotion, what happens to the other two?—A. Well, if he recommends one man, he will rate him higher than the others.

Q. Do you accept the rating, or make a new one yourselves?—A. We give a rating for seniority, that is all.

Q. Then, outside the rating for seniority, the matter of the filling of the position rests with the postmaster, and the immediate chief. Did I understand that correctly?—A. Correct, sir.

By the Chairman:

Q. Subject, I presume, to what provision might be made by the examiner of the Civil Service Commission.—A. Of course, as I said, the rating for seniority is added to their total, and the man who gets the highest total gets promotion.

Mr. CHEVRIER: Why not go right through with the whole process from beginning to end?

By Mr. MacInnis:

Q. All other considerations being equal, seniority counts.—A. Well, it must have two out of ten.

Q. The person having the longer seniority would get the position?—A. If two persons were rated the same by the chiefs, the man with the longest service would get it.

By Mr. Bowman:

Q. What are the weights?—A. Two, three and five; two for seniority; three for efficiency; and five for fitness.

Q. Two, three and five?—A. Yes.

Q. What you do is to—?—A. Give the ratings.

Q. Give the weight of two for seniority?—A. Yes.

Q. Eighty per cent of the rating is left to the department?—A. That is right.

Q. Then you agree with Dr. MacTavish in his general statement this morning that the department is the primary consideration in either the appointments to vacancies or promotions? You heard Dr. MacTavish?—A. Yes.

Q. Did you agree with him?—A. Well, in what way?

Q. In the point I am referring to. You remember his remark in the opening of his statement?—A. Well, when Dr. MacTavish said that we tried to suit the department, I do not like that word "suit." He did not define what he meant by that. We do not try to suit the department. We try to fill the position, to find someone who can do the work—we try to suit the man to the work, whether the department likes the man or not. We try to get a man who is best suited to fill the position. I do not like to leave the impression that we are trying to put a man there who will be most acceptable to the department.

Mr. MACINNIS: I don't think that is the impression.

By Mr. Chevrier:

Q. If Dr. MacTavish meant that, would you agree with him?—A. No.

Q. If Dr. MacTavish meant what you mean here, as to the suiting of the department by putting somebody in there who would be suitable for the position, would you agree with that?—A. What I mean to say is, we try to get the best fitted man to fill the particular job.

Q. If he suits the particular job, he will have to suit the department?—A. Oh—

Mr. BOWMAN: They don't, generally.

Mr. CHEVRIER: Only to the extent of two per cent.

Mr. BOWMAN: In what way to the extent of two per cent?

The WITNESS: I do not know what Mr. Chevrier refers to. Generally, it suits the department.

The CHAIRMAN: You must bear in mind, Mr. Bowman, that the two per cent, of rejections, is arrived at by taking the total number of civil service appointments, census clerks and others.

By Mr. Laurin:

Q. You referred to the figure two for seniority. Is it two on ten, or two on one hundred?—A. Two for seniority out of ten.

By Mr. MacInnis:

Q. In dealing with postmasters in postal districts, the complaint was made that postmasters did not have an opportunity of applying for any other positions within any other post office outside there own particular locality. Do you consider it feasible that postmasters could be permitted to do that within postal districts?—A. Are you speaking of revenue post offices?

Q. Yes.—A. I don't see how it could. City postmasters are eligible for the position of inspector, but they are under the Civil Service Act. If the position of inspector is open in the district a city postmaster is eligible to compete, but with a revenue post office, the man who is paid by revenue is not eligible.

Q. I believe that is the point. Of course I am not conversant with it, and I was just wondering if it was feasible to allow them to make application for the position of postmaster within the postal district.—A. I do not think it is feasible under the present Act; whether the thing could be done, I don't know.

Q. You have never given it any thought?

Mr. ERNST: That was the principle followed on the railways in regard to engine crews, and it worked a great dissatisfaction to them.

By the Chairman:

Q. Mr. Tremblay, assume that a promotional examination is held with two candidates competing, we will say, A and B. A is declared by the Commission to be the successful candidate for the promotion. We will assume that B is very much dissatisfied. Is there any way or means by which B can have a re-rating, or a reconsideration of his fitness, and so forth, because he does not write a written examination? Is there any method by which he can open up that case and ask for reconsideration, or is it a closed book as far as that particular promotional examination is concerned?—A. He can always apply to his deputy minister to have the case investigated, and if the deputy should find out that a mistake has been made—

Q. That is, he would have to apply to the very man who made the recommendation against him?—A. Yes.

Q. That is the only method?—A. Yes.

By Mr. Vallance:

Q. Take the case of an individual postmaster who has been dismissed for cause. Later on it is found out that the cause was not proven, what redress or what means has he of remedying that situation?—A. None.

Q. Do you think it is fair?—A. No, I don't think so.

By Mr. Ernst:

Q. Of course, Mr. Tremblay, dismissals for cause take place only after investigation at which the man had a chance at least to be heard.—A. Of course that is done by the department.

By Mr. Bowman:

Q. A man has no appeal?—A. No, he has no appeal.

By Mr. Chevrier:

Q. Not to the Commission?—A. No, not to the Commission.

Q. Because the Commission has nothing to do with the dismissal?—A. To get into the service again he has to come in through the regular channels, through open competition.

By Mr. Bowman:

Q. The appointment generally to those small post offices, that is the appointment of postmasters to small post offices throughout the country, is that generally carried on to your satisfaction?—A. Generally, yes, sir.

Q. Many complaints?—A. Not many. I don't govern the Post Office department myself.

By the Chairman:

Q. Of course complaints would not come to the Civil Service Commission anyway?—A. Some of them do.

Mr. ERNST: I have never seen one filled yet where there was not some complaint.

The WITNESS: Well, generally speaking, it works out pretty well.

By Mr. Bowman:

Q. A great deal would depend upon the inspector who went out to make the examination?—A. Oh, yes.

Q. And very often his report is not the final report which is acceptable, or recommendation which is made?—A. Well, generally it is accepted by the Commission unless on the face of it we have some little information that it is not correct, but that happens in very very few cases.

Q. Still, it does happen fairly frequently that the inspector's recommendation is not followed?—A. Oh, yes, it happens.

Q. And it is quite frequently changed?—A. Yes.

By Mr. MacInnes:

Q. Would you say quite frequently?—A. Well, no, but it is sometimes changed.

By Mr. Ernst:

Q. I believe Marine comes under you, does it not, Mr. Tremblay?—A. Yes, sir.

Q. I asked Dr. MacTavish this morning whether he saw any valid reason why permanent officers who were in the employ of the department the whole year round could not be brought under the operation of the Act.—A. Well, I think you spoke about superannuation.

Q. Yes, at least under the superannuation provision.—A. We do not administer the Superannuation Act. You do not have to bring them under the Civil Service Act to give them the benefit of superannuation. An amendment to the Superannuation Act would be more feasible.

Q. Do you see any objection to bringing them under the Act as such?—A. I would not like to say before considering it. I have not thought of it.

The CHAIRMAN: Anything else from Mr. Tremblay?

Q. Mr. Tremblay, there is one matter that has come to my attention. If you feel that someone other than yourself should deal with it don't hesitate to say so. It has been suggested in some quarters that there is no necessity for a Civil Service Commission of three, that one man might function as a Director of Civil Service, and it has been suggested in other quarters that a Civil Service Commission of three is too much of a packed type of corporation and it would be much better if you had five,—have you any views with respect to that?—A. Well, I think it works very well now with three. I don't see any reason for five. I suppose it could work with any number.

Q. What reason would you suggest for three, for example?—A. Well, because you must have a majority decision. Two would not do and four would not do. You want a majority of two.

Q. That leads me up to what I want. Are there many cases of promotions or appointments in which the Civil Service Commission are disagreed?—A. Well, there are some cases, I cannot tell you the number.

Q. I gathered from what was said here by Dr. MacTavish that it was a very small proportion of the total number?—A. Oh, yes.

Q. The element of three opinions does not become of any weight in that regard, does it?—A. Well, putting it that way I suppose not.

Q. What functions are there to be performed by the Civil Service Commission that requires more than one man, or more than one opinion, other than what you have just outlined about possible cause of disagreement as to any particular appointment or promotion?—A. Oh, I suppose one man could do it.

Q. What I have in my mind is this: Are there many matters that arise in the daily routine of affairs as the result of which it is necessary for the Civil Service Commission to meet as a body, that is, to sit down around a table and thresh something out by way of discussion?—A. We meet regularly twice a week on Tuesdays and Thursdays.

Q. That is, as a body?—A. Yes.

Q. And is that for the purpose of considering problems affecting the Civil Service generally and matters of policy?—A. Yes, or special cases.

Q. And special cases in which there has been a difference of view?—A. Not necessarily. Where the views have not been expressed yet and a commissioner might want to discuss the matter with his colleagues, have a discussion on it.

By Mr. MacInnis:

Q. Would the volume that would not be transferred to officials not be too much for one man?—A. Well, it would be very heavy for one man. He certainly could not follow it up as closely as three men. The work is divided among the three of us, and one man would certainly have a very heavy load.

By the Chairman:

Q. The departments of the civil service are divided into three. Certain ones are under your jurisdiction, certain ones under Dr. MacTavish, and certain ones under the Chairman?—A. Yes.

By Mr. Ernst:

Q. What is that division?

The CHAIRMAN: I think probably Mr. Foran will be able to give us that list, Oh, we already have it filed. That is all I have in mind, gentlemen.

By Mr. Chevrier:

Q. How many departments does the Civil Service Commission handle, departments of government?—A. We handle them all.

Q. Well, how many is that,—16 Ministers?—A. There are more departments than that,—38.

Q. And those are divided amongst the three commissioners?—A. Yes.

Q. One man could hardly deal with all of them?—A. Well, it would be a hard job.

Q. That is the reason why there should at least be three?—A. Yes.

Q. No man could give personal supervision to 38 departments?—A. I don't think so.

Mr. CHEVRIER: I am quite satisfied with that.

Mr. BOWMAN: It all depends on what supervision is given to the department. I understand you take your recommendations largely from the deputy head of the department.

The CHAIRMAN: It is a question of degree, but the more departments you give to the one man the less supervision any one department gets.

By Mr. Bowman:

Q. Is not that so, Mr. Tremblay?—A. Well, our recommendations come from the department heads, yes, through the deputy minister.

By Mr. Ernst:

Q. There is only one chief examiner at the Commission?—A. Yes, there is only one chief examiner.

Q. Through whom all recommendations go?—A. Yes, sir.

By Mr. Bowman:

Q. And he handles the examinations for all those different 38 departments? —A. Yes, sir.

By the Chairman:

Q. Of course he has a staff of examiners under him?—A. Oh, yes.

By Mr. MacInnis:

Q. It seems to me that if you did not have the three commissioners, you would have to have more staff, because one commissioner would not be able to give the same consideration to applications as the three can?—A. It would certainly take more staff.

The CHAIRMAN: Anything else, gentlemen? Thank you, Mr. Tremblay.

The Witness retired.

WILLIAM FORAN, called and sworn.

By the Chairman:

Q. Mr. Foran, you are the secretary of the Civil Service Commission?—A. Yes, I am.

Q. And have been associated with the Commission for how long?—A. Since its establishment, the 1st September, 1908.

Q. 1918?—A. 1908.

Q. In what capacities, Mr. Foran?—A. Secretary.

Q. And you have now brought for the convenience of the Committee and filed with us a chart showing the organization of the Civil Service Commission and the different departments under its jurisdiction?—A. Yes.

Q. In their relation to the Commission?—A. Yes. A number of those charts were published in the report of the Malcolm Committee.

Q. I suppose we might as well ask Mr. Foran to let us have any general observations, anything he thinks would be of advantage to the Commission to

start off with, and then have members of the Committee ask questions arising out of what he has said. Then, Mr. Foran, are there any other matters, of our own initiative, that you would care to suggest to us?—A. I have not prepared any statement, Mr. Chairman, because I felt that whatever the Commissioners prepared would meet your purposes, for the time being at all events, but I think perhaps it might be well for me to say that for purposes of administration the Civil Service Commission is in perpetual session. What I mean by that is that daily minutes are kept of all the decisions and transactions of the Commission. All matters emanating from every branch of the Commission go to the Commissioners, through the office of the secretary. They are sent to the Commissioner first, to the desk of the Commissioner in charge of the particular department. After he has considered the recommendation, or the report on that file, he initials it, or if he does not approve of it, he marks his dissent. That file is then sent, in rotation, in this order, to Dr. Roche, Dr. MacTavish, Mr. Tremblay. If it is a department over which Dr. MacTavish has control, it goes to his desk first and then from him to Mr. Tremblay, and then to the Chairman and so on. If the Chairman, or any of the Commissioners, think that the matters which have come to them for decision are of sufficient importance, they tag them for the full Board. They are sent back to the office of the secretary and are put on the agenda for the next meeting of the Board.

Commissioner Tremblay explained to you that the full Board sits twice a week, on Tuesday and Thursdays. If it is a routine matter, or a matter about which they all agree, where it is a clear-cut case of an appointment with regard to which there is no special feature to be considered, the three of them sign it and it goes into the secretary's office for entry into the minutes, then it goes to the branch from which it emanates for action.

Now, we will take the case of a requisition of any kind. Take a requisition, first, for the appointment of a stenographer. It comes in, and it is registered and a file made. Then it is sent to the organization branch for classification. Then it goes down to the assignment branch. The assignment branch has an eligible list. The assignment is made. The assignment is reported for entry in the minutes.

By the Chairman:

Q. If you do not mind me interrupting,—when you say it goes to the assignment branch and an assignment is made, does that assignment branch automatically notify the first person ranking on that eligible list in order of merit?—A. Yes, that is true.

Q. Invariably?—A. That is substantially true. You raised the question this morning about coming down on the list. There may be a case where, for example, a stenographer is required to be bilingual. If the first person on the list is not bilingual then you have got to go down the list until you get a bilingual stenographer.

Q. Subject to that exception?—A. Subject to that exception, the list is faithfully observed, the order of merit is faithfully observed.

Q. Then we can take it that if we come across a case where that has not been done it is because someone in the assignment branch is remiss in his duty and instructions from the Commission— —A. Have not been carried out, yes. If there is to be any departure from the order of merit the head of the assignment branch must get authority from the Commissioners to depart from it.

Q. In other words, they are the only body that has power to exercise discretion?—A. Quite so. Where there is an eligible list an assignment in order of merit is considered a routine matter and such an assignment is reported next day for approval in the scheduled minutes to the Commissioners.

In the case of a requisition being received for appointment to a class for which we have no standing eligible list the requisition, after being recorded and a file made, goes to the organization branch for classification, then it goes to the assignment branch for report that there is no eligible list for that class. Then it goes to the examiner, who prepares a report for the Commissioners for authority to hold an examination. In that report the examiner sets out the duties and qualifications as are specified in the classification schedule. He also recommends the scheme of examination to be followed, where there is to be a written examination and rating on an oral examination, he gives the weights for them, or for whatever other factors enter into that examination. The scheme of examination is recommended by him after consultation with the chief of the examination branch. Then it goes to the Commissioners for approval. After that approval is given, the competition is advertised. Neither the Commissioners nor myself see anything or hear anything practically with regard to that examination until the eligible list is finally completed and submitted for approval.

Q. Oh, no. You are omitting one very important factor, the sending out of one of those letters of yours?—A. That is all done by the examination branch.

Q. I see, that never comes to your attention although it goes out under your signature?—A. That is a matter of routine. These notices are sent out all over the country. We have our regular mailing list. When applications are received they are acknowledged, and if anything special should arise which requires the attention or the decision of the Commissioners, it is reported to the Commissioners through myself and they give their approval, but no official of the Commission has any authority to take any responsibility upon himself with regard to any matter with which he is dealing. That has always been made very clear, because otherwise you could not administer a system such as has been entrusted to the Commission.

Q. As the result of this advertising you get a report from your examiners rating John Jones, Bill Smith and so on, as the case may be, as to their fitness for the appointment, and then act on that recommendation. You have outlined the things which would occur where there is no eligible list, and where there is no appointment, until after there has been an advertising and the examiner has made a report and there is an assignment by approval by the Commission?—A. The assignment is made after the eligible list is made up.

Q. Now, I am given to understand that, in innumerable cases, it develops there is no eligible list and so someone is put to work as a temporary employee and all the time they are working they are getting experience in the department and this routine is going on leading up to advertising the position and holding the examination. Am I correctly informed?—A. Yes, it has been discussed many times. That is a condition that arises. That contingency does arise.

Q. What I am interested in knowing is, when that contingency arises, who becomes the lucky person who is going to get the temporary appointment before there is advertising, before there is competition, before there is anything else?—A. The department asks the Commission to certify to someone who is nominated for the temporary position. His or her qualifications are reported at the same time to the Commission. The department usually reports that it must have someone immediately and for that reason the department's nominee is certified. The position is subsequently advertised, and very often the person selected by the department receives the permanent appointment. Now the fact that he is on the job is given no special consideration by the Board that makes the selection. It gives him no prescriptive rights at all in the competition. He is simply placed temporarily on the job because of the claims of the department that the employment is urgently required, and this fact is usually reported to the advisory board by the representative of the department when the permanent appointment is under consideration. His statement is to the effect that so and

so, naming the temporary incumbent of the position, is rated high because he has been on the job and has established his fitness for the position in a manner that is highly satisfactory to the department.

By Mr. Chevrier:

Q. Who put him on the job first?—A. The department.

By the Chairman:

Q. When you say the department, Mr. Foran, does that mean that the deputy head of that department is the man responsible for engaging that temporary employee?—A. Yes. All requisitions must have the approval of the deputy minister or some official designated by him with full power to sign for him.

By Mr. Chevrier:

Q. And to that extent anyway the Commission assumes no responsibility?—A. No.

By the Chairman:

Q. Would it be possible for us to get in any way, we will say, within the last year or two years or three years,—I care not what period you take—the number of persons appointed temporarily, because there was no eligible list available, who ultimately became permanent employees?—A. Yes, we will be very glad to furnish such a list.

The CHAIRMAN: I would like to have that, please.

By Mr. Bowman:

Q. Mr. Foran, when those different candidates come up to you for consideration this man who has been in the temporary position has, as a rule, a higher rating than the other competitors?—A. No, not necessarily, Mr. Bowman. The applications will probably be considered by an advisory board. Now, the advisory board, as you are aware, is composed of men outstanding in the line of work in which this man is engaged. For example, if he is an engineer you have probably the President of the Canadian Engineers Association. We have been very fortunate in securing the services of some of the most outstanding men in every service and in every business in Canada, to serve without remuneration.

Q. Well, without going into the case of a man that you want for a position with certain technical qualifications, I mean just the ordinary position, the man or woman who has been in the department temporarily gets a higher rating prior to coming up to the Commission for approval, probably because of the experience which they have had in that particular department.—A. Mr. Bowman, the rating is furnished by this board. The employee to whom you are referring has no rating on his temporary employment. He is nominated by the department and we issue a temporary certificate for him until the competition is complete. Then, when the Board meets, to make a selection, he gets no advantage whatever by reason of his temporary services.

Q. You say that he has no advantage whatever by reason of his temporary services?—A. Yes.

By the Chairman:

Q. Mr. Foran, can that be so, because bear in mind he has had an oral examination by a departmental official, nominated in all probability by the Civil Service Commission to conduct the examination, but nevertheless a departmental official and he is given a rating on that oral examination by that departmental official?—A. No, he is not given it by the Commission.

Q. That is true, but nevertheless his rating comes to you, the trick has been done before you get it?—A. We have no knowledge of any such rating, but I think I can say this, he is given no rating at all; he is simply suggested to the deputy minister either by the chief of the branch in which he is to be employed, or by someone who is interested in his appointment.

Q. We are talking at cross purposes. When he gets his temporary certificate, and is selected, it is perfectly true he has no rating, but then you advertise this position after he has been on the job?—A. Yes.

Q. For one month to six months or whatever it may be. Now, you say that position is going to be filled by the candidate having the best qualifications and it is going to be an oral examination?—A. It is going to be a rating by a competent board of examiners.

Q. All right. The first person who makes the rating is some official of the department, is it not?—A. No.

Q. Not at all?—A. No.

Q. Well, then, who would be this board of examiners?—A. As I was just going to point out, there would be a representative of the department nominated by the deputy, in some cases the deputy himself. The rating would be given by the outsiders who are asked to come in and assist the commissioners. We have given you the file of advisory boards for some years past.

Q. When you talk of board— —A. Supposing we were picking a lawyer—

Q. No, no, don't take a professional man. I want an ordinary position. Let us take an ordinary clerk grade 3?—A. Those are filled by written examination so there is no question of an advisory board in that case. I am speaking of professional and technical men, the higher positions in the public service which are filled by what is known as non-assembled examinations, that is, a rating given by a competent board. We call them advisory boards.

Q. Let us get down to the ordinary every-day fellow. We will say that you advertise a vacancy for a clerk grade 3. There is to be an examination. In that case there would be a written examination?—A. Not in every case. If there are other qualifications required in the case of grade 3, which does not often happen, they are filled by a non-assembled examination too.

Q. Is it possible for me to pick something where there is not some special situation, where the advertising does not define the man? Can I pick some ordinary thing that anyone could qualify for who had reasonable intelligence and education? It is the ordinary case we want.

Mr. ERNST: A rural postmaster is a good illustration.

The WITNESS: A rural postmaster?

By Mr. Ernst:

Q. In the appointment of a rural postmaster there is no written examination?—A. Oh, no.

The CHAIRMAN: There is no temporary appointment.

Mr. ERNST: Oh, yes. It could be a temporary appointment very well.

The WITNESS: The department selects the temporary appointee.

Mr. ERNST: That will give you an illustration, Mr. Chairman.

By the Chairman:

Q. All right. Then a temporary appointee is appointed. In that case is there a written examination?—A. For the temporary appointee?

Q. No, when you advertise the position in order to make a permanent appointment is there a written examination?—A. In many cases, yes.

By Mr. Ernst:

Q. Not rural postmasters?—A. Oh, no.

By the Chairman:

Q. For a rural postmaster no written examination?—A. Oh, no.

Q. There is an oral examination?—A. Yes.

Q. And that oral examination is conducted by whom, some official of the post office department?—A. Yes, a post office inspector.

Q. And when he conducts that examination, if he rates this man who has been on the job very highly, because of the experience he has already had, whereas all the other poor candidates have had no experience, than that rating is because of that experience related in the material that comes before the Civil Service Commission, is it not?—A. Quite so.

Q. And to the extent it is reflected there in the inspector's rating, then that temporary appointee has an advantage in securing that position?—A. Well, it does not always follow that he is the temporary appointee.

By Mr. Bowman:

Q. He is the final appointee?—A. No.

Mr. BOWMAN: Well, very often he is.

Mr. ERNST: I have learned that to my cost.

By the Chairman:

Q. All I was following up by your answer was the fact that he had been a temporary appointee counted for absolutely nothing?—A. Certainly.

Q. Well, he has had a good deal of credit from the Post Office inspector who went out and conducted the examination?—A. If the man is temporarily on the job and has acquired his experience in the sense that he has been in the office, and if he has not been in the office any particular length of time it is not given any consideration.

Q. No, but, Mr. Foran, is it not a fact that in a great many of these cases those temporary employees are on the job four, five or six months before there is a competition?—A. Well, that is really a violation of the intention of the law.

Q. I am not interested in what it is a violation of. I am interested in the fact. Is it a fact?—A. The understanding now is that an emergency appointment is really only for thirty days.

Q. If you will excuse me, no witness yet ever got away from answering my question directly. Is it not a fact that in many many cases temporary employees are on the job for a period in excess of three months before the position is advertised?—A. I would say many cases, yes.

The CHAIRMAN: In many cases. Thank you, that is what I started after.

By Mr. MacInnis:

Q. What is the actual time between the notice of a vacancy, where there is no eligible list, and the holding of a competitive examination and making an appointment?—A. Three weeks is the time allowed to receive applications.

Q. And are those applications called for as soon as you have a notice of the vacancy?—A. Yes.

Q. Well, then, how long after you do receive the applications until the appointment would be made?—A. Well, it varies, of course. If there is a written examination that causes some delay, but if not I would say two weeks after the time allowed for receiving applications expires. In other cases, it is longer, of course; that is, in the case of written examinations on account of the great dis-

tances in the country. You have got to hold your examinations at all centres where there are applicants and that, of course, would cause some delay. That is inevitable in a system requiring notices, requiring the advertising of vacancies.

Mr. ERNST: I have known cases of many months.

By Mr. MacInnis:

Q. Ordinarily, then, you would make an appointment in five weeks?—A. I would say yes.

Q. Well, at the longest it would not require more than two months?—A. No, it would not require more than two months.

Q. It should not.—A. It should not.

The CHAIRMAN: That is from the time they advertise?

By Mr. MacInnis:

Q. Yes. And I presume they advertise as soon as they are notified of the vacancy? I was given to understand that they did that?—A. A vacancy might exist for six months before we were notified.

The CHAIRMAN: And a temporary employee filling it?

By Mr. MacInnis:

Q. As soon as you were notified that there was a position for which there was no eligible list, and it was necessary to make an assignment to that position, you had then notification of the vacancy?—A. Yes.

Q. And the assignment could not be made to that position without your approval, or the approval of the Commission, is not that correct?—A. That is right, yes.

Q. Now, then, there could not be a vacancy for six months without you having notification of it, that is, there would be no vacancy that would not require someone to be appointed?—A. Of course, the departments do not notify us as soon as a vacancy occurs. They hold these positions open for some time before they notify the Commission.

Q. How do you mean, do they make an appointment?—A. No, no, they are not filled at all.

Mr. MACINNIS: Oh, well then, we are not concerned with that. We are only concerned with where the vacancy is filled.

The CHAIRMAN: By a temporary appointee.

The WITNESS: Outside of Ottawa, of course, they make an emergency appointment. They have got to carry on.

By the Chairman:

Q. They have got to get a temporary certificate?—A. Yes, they have got to get a temporary certificate.

By Mr. MacInnis:

Q. So there are no appointments made without notifying the Commission immediately that the appointment is made?—A. Well, not to a classified position, no.

Q. Now, I may be wrong—and if you correct me I will take it that I am wrong—but I thought you said a moment ago that the examiner would sometimes rate a temporary employee higher, give him a higher rating because of his experience,—did I take you up right in saying that, did you make that statement?—A. No, I don't think I said that.

Q. I understood you to say that. Well, then, the examiners would not give him any particular consideration, due to the experience of a person in a temporary position?—A. The fact that a man is in the position temporarily is not to be considered at all by the board rating the applicants. The candidates are all supposed to be on an equal footing. If a temporary appointment has been made, and the position is advertised, the man who has been placed in the temporary position does not get any advantage in the final rating for the position.

Q. Well, would the board be aware of the fact—

Mr. Bowman: I cannot follow that at all.

By Mr. Chevrier:

Q. That is, the Commission would not take that into account in making its rating?—A. No. What would be the object in advertising the position if that were so?

Q. That is, the examiner does not take that into account, or rather the Commission does not take that into account?—A. They make their own rating as compared with the other applicants.

By Mr. MacInnis:

Q. The point I am trying to make is this: Would the Commission in considering the applications be aware of the identity of the person in the temporary position?—A. In most cases they would be, yes.

Q. Well, then, if the examiners did give some weight to his application because of his experience, the board would know of his identity, and would they give him the same consideration, or would they discard it altogether?—A. They give the same consideration as they give all other applicants without reference at all to the experience he has gained while he is in the position. That applies to the higher positions. With regard to rural postmasters, here is one of the questions. You have seen the forms, Mr. Bowman?

Mr. Bowman: Yes. Let us settle this business, Mr. Foran. Frankly, I was quite clear from what you said, in the first place, that experience did count, and I was quite clear from the evidence that Dr. Roche gave the other day with regard to postmasters, and the recommendation which he made with regard to filling them by widows or others who have service in the office, that experience was taken into consideration in the weighting.—A. Oh, well, the experience is, but not experience while he is on the job temporarily, if the only experience he has had is the month or two that he has been in the position, that is not taken into consideration.

Q. Mr. Foran, you know, and I know from my limited experience, that some of these assistants are really in charge of the post office and have been for years? —A. Oh, that is a different thing altogether.

Q. And some of them are in charge for six months?—A. Any man who was in a position for a year would, of course, get a higher rating than a man who had had no post office experience at all.

Q. The man who had been there for six months would get a superior rating? —A. Well, the inspector would probably report that he had been there six months, performing the work satisfactorily, but I do not know that that should weigh, or does weigh. The examiners in making their final selection, the applicants are considered according to their qualifications, apart from the experience a man has gained by reason of his temporary employment.

Q. That is the point apart from the experience, but as a matter of fact, the inspector whom you make an officer of the Commission, that is, the post office inspector, or the superintendent as the case may be, who goes out to make the investigation and report, places these positions according to his judgment, and he does take into consideration the experience which that man has had, if he has had any?—A. He probably in that case would report to us that the applicant

had had no postal experience until this position became vacant. John Jones was put in the position temporarily and he has performed his duties satisfactorily during the time he has been there. That would be his report. Now, if the examiner in rating—

Q. Do you mean the inspector?—A. I am talking about the inspector. That is what he probably would report. He would probably report that all these applicants had had no previous postal experience, but that John Jones, who had filled the position temporarily, had performed the duties of the office satisfactorily.

Q. Wait now, just a minute, and because of the fact that he has performed those duties to the satisfaction of the board consequently that particular officer of your department—of course of the Post Office department—will give that man a higher rating?—A. Well, he may give him a higher rating, yes.

Q. That is the point exactly. For instance, take a stenographer: There is a vacancy in a department and a request comes to the Civil Service Commission for the appointment of a stenographer and you have no eligible list. There happens to be in that department a stenographer who has been there temporarily —does she get a higher rating because of that experience?—A. A higher rating?

Q. Yes.—A. Well, she cannot get the position at all, she is not on the eligible list.

Mr. ERNST: Quite true.

The CHAIRMAN: There is no eligible list.

By Mr. MacInnis:

Q. There is no eligible list, but a vacancy occurs and you want to fill that by a stenographer. You have in that department a temporary employee taking the position, or filling the position temporarily until the permanent appointment has been made. She becomes an applicant, she writes on her examination as the others do,—does her experience count for anything?—A. Oh, yes, there is a rating in the stenographers' examination for experience whether it is in the government offices or outside.

Q. The fact that she has had experience in that particular office, does it count for anything more?—A. It would give her a preferential claim to assignment to that department rather than to any other department, that is all.

Q. You can see the point I am trying to make, Mr. Foran?—A. Yes, I do.

Q. The Chairman in his examination tried to make this point, as to what advantage, if any, a temporary employee taken on by the department had over the ordinary competitors from outside the service who had seen no service whatever within that department?—A. Well, as I say, it would give her a preferred claim to assignment to that department, her experience even in the service or out of the service. In order to take the grade 2 stenographer's examination she must have had a year's stenographic experience to get a rating, and experience in a lawyer's office or any commercial office is just as good as the experience she would have in the department, but then when it comes to the assignment to that class this girl could very well wait until her turn was reached on the eligible list to be put in the department, because she would have a knowledge of the work there, and it seems the logical thing to do to put her in the department where she has gained the year's experience.

The Committee adjourned to resume on Thursday, March 17, 1932, at 3.30 p.m.

HOUSE OF COMMONS,

MARCH 17, 1932.

The Select Special Committee to inquire into appointments to and the control and direction of the Civil Service of Canada, and, generally, the administration and operation of the Civil Service Act, met this day at 3.30 p.m.

Mr. Lawson presiding.

The CHAIRMAN: Gentlemen, it was intimated to us that there might come before us and ask to be heard some gentlemen who were in some way connected with this famous Bouchard trial, and I had handed to me a memorandum given by the Civil Service Commission to the Secretary of State. I thought it only fair that the position of the Civil Service Commission in connection with the matter should be placed before the members of the Committee. I had copies of the memorandum prepared last night and this morning for each member of the Committee.

WILLIAM FORAN, recalled.

By the Chairman:

Q. At the conclusion of yesterday's hearing, Mr. Foran, you finished at a point where we were discussing the question of temporary appointments filled by advertisements of an open competition and the subsequent appointments and the question as to the benefit obtained by the one who is in a temporary position, by reason of the experience which that particular person had obtained, and Mr. MacInnis was asking some questions with reference to the matter when we adjourned. Now, is there anything further, Mr. MacInnis, that you wanted to ask Mr. Foran?

Mr. MACINNIS: No.

The CHAIRMAN: Is there any other member of the Committee who wishes to ask anything in connection with that aspect of the situation?

The WITNESS: Mr. Bowman was obliged to leave a few minutes before the adjournment, and he had asked a question with regard to rating—as to what rating was given to a temporary stenographer by the Commission in order to improve his or her position. I gave him an answer, but I am afraid that he went away feeling that he had not got all the information he desired. I think, if Mr. Bowman would repeat his question, I will answer him.

Mr. BOWMAN: Go right ahead and tell us the facts.

The WITNESS: Will you repeat your question?

By Mr. Bowman:

Q. The question which I had in mind at that time—I have not had an opportunity of reading the evidence of the last meeting of the Committee—as I remember the question it was this: Supposing you had a stenographer, say, in a branch for which you did not have an eligible list, and that stenographer had been there on duty temporarily, would she have any advantage in getting a permanent appointment by reason of her temporary employment?—A. She would have to pass the regular competitive examination.

Q. But would the fact that she had had experience and employment in that department be taken into consideration in finally weighing the merits of the different candidates?—A. As I said yesterday, she would have a preferred claim to permanency in that department, when her name is reached. In a case of that kind, the department would probably keep her in her temporary capacity, notwithstanding the fact that she had passed her examintion, in order that when her name was reached they could make her permanent.

Q. You say when her name is reached?—A. Yes. Now, there is a regulation by the Commission that after a girl is assigned in a temporary position, after she has passed the examination and is assigned in a temporary capacity to a department, if she is occupying a permanent position and occupies that position for one year, then she can be made permanent in that position on the request of the department, without regard to her position on the list.

Q. That is what I was getting at?—A. There is a regulation covering that.

Q. Then, in other words, temporary employment is taken into consideration to a very considerable extent in making permanent appointments where the temporary employee——A. Yes. It is recognized in our regulations. It is the logical thing to do. If a girl has been in a department some considerable time, that seems to be the logical place for her to be appointed to when her name is reached, or when she has served a year.

Q. Whether or not her name has been reached. After she has passed a year?—A. Yes, without regard to order.

Q. Then, it would amount to this, that any girl, or for that matter any man, who happened to occupy a temporary position in the department, under the circumstances you have intimated, would really become a permanent employee of the department more or less without a ruling by the Commission? Really on the recommendation of the department?—A. Oh, no. The appointment would be made—

Q. Nominally it would be approved by the Commission, but in reality it would be made how?—A. By the Commission, by reason of his having passed the competitive examination, his name having been reached on the eligible list, he, having filled that position for one year, could be named for a permanent position without regard to his or her trying the examination.

Q. Does that situation, or that regulation, lead to any unfairness, do you think?—A. No. I think it is to the advantage of the departments, because they are getting experienced help in that case. It follows that a girl or a man who has been in a department for years, who subsequently qualifies by taking a competitive examination, would be far more useful as a clerk in that office than he would be in any other department.

Q. But, after all, it leaves it open that the appointment in reality comes through from the department, as I see it?—A. In what way?

Q. As you state: Presuming that this person has passed an examination and is in a department for over a year, by reason of being there over a year the position on that list is not of very much importance, but the fact of employment is of primary importance?—A. Oh, yes. The requirement is to pass the examination then.

Q. Not necessarily being placed highest on the list?—A. Of course, they are assigned, even for temporary employment, in order of merit.

Q. Quite true. It does seem to me from what you say—it appears clear to me I should say—that anyone, by reason of being a temporary employee, has an advantage over somebody who is not that long in the service?—A. Yes; remaining in the department. If they are placed as a technical temporary clerk in a position that is permanent, after one year they are eligible, notwithstanding their position on the list, to be made permanent.

[Mr. Wm. Foran.]

Q. Would not that really permit the deputy of the department, if he so desires, pretty well to fill up his department with persons who please him personally?—A. No, because in the first place, he has to take them from the Commission, in the order in which their names appear on the list.

Q. Yes, but you might not have a list at all; presuming that?—A. In all cases, she would have to be assigned by the Commission. He cannot choose his own temporary clerks.

Q. For instance, supposing the deputy of the department comes along to the Commission, Mr. Foran, and says, "we want Miss Smith or Mr. Jones assigned to this department temporarily," do you accede to that request?—A. No.

Q. Never?—A. Oh, I would not say never. I suppose in the absence of an eligible list, we would test her qualifications for some special reason. It is seldom done in view of the large number we always have available for those positions, such as grade 1 and grade 2 stenographers. It very seldom happens.

Q. But it does happen?—A. In the absence of an eligible list, we hold tests to determine the qualifications of employees for temporary employment, and we rate them accordingly. We have an eligible list for temporary help. This does not take the place of a regular examination. We pass them with a certificate for temporary employment. Now, it is very seldom that the department asks for any particular person.

Q. It has been quite the custom in the past, has it not?—A. I would not say it has. No; not in these classes, because—

Q. In any classes, Mr. Foran. I am not talking about any particular class?—A. Of course, I am not speaking of some of the professional or technical classes. If we do not have an eligible list the department might nominate some man who is given a temporary position on the understanding that if this is a permanent position it must be thrown open to competition. In many cases it is alleged that it is only a temporary position. Consequently, perhaps, after one or two renewals of his certificate, the temporary certificate, the Department creates the position and asks that it be filled. Then the position is advertised. That is a practice which the Commission has, in its annual reports, condemned very strongly, because it leads to the impression outside that those positions are being earmarked for that particular person.

By the Chairman:

Q. If Mr. Bowman will excuse me for a moment, I would like to ask this question. Is not the objection of the Commission to that system for this reason. That it results in permanent appointments being made from time to time of persons who have qualified by examination, but who are not highest in the marks obtained in the examination?—A. No. I would not say that. In all cases where a temporary occupant of a position is subsequently selected by a board for permanency he must get the highest rating by that board.

Q. Let me take a concrete case: A stenographer, we will say, or a clerk—I do not want to go into the class of technical employees, but clerks of grade 1, 2, 3 or 4, as the case may be, or a stenographer—let me assume that I want to secure such a position?—A. You are speaking of the lower grades, 1 and 2?

Q. Yes. Clerks, grade 1, and 2 and stenographers' positions. Now, assume that we want to secure one. Assume that I am an individual and I want to secure one. To start off with, if I can find some position for which there is not an eligible list I can then get the deputy minister of the department to write a letter to the Civil Service Commission asking that I be approved of as a temporary employee, can I not?—A. If there is no eligible list, yes.

Q. I take a position for which there is no eligible list. All right. Then, having got the approval of the Commission for that temporary employment, I start on the job?—A. You are assuming that you get the approval of the Commission?

Q. I am; because you outlined to us yesterday that if there was not an eligible list, and I had sufficient qualifications which would be required for such a position, the Commission would approve, in the ordinary course of events of that temporary appointment?—A. Well, of course, I cannot conceive a situation such as you have described.

Q. Mr. Foran, I will give you one immediately. Let us take—

Mr. Bowman: I understand Mr. Foran has already stated exactly what you are asking.

The Chairman: Yes.

By the Chairman:

Q. Mr. Foran, let me take a concrete case. I want to refer to open competition No. 21599, advertising for a clerk, grade 3, male, for the department of Pensions and National Health, Toronto—Christie Street Hospital. There was, in fact, a man appointed to that position temporarily by the name of Leapard—Thomas Leapard. That was advertised, was it not?—A. Yes.

Q. Is not that so? Let us have no mistake?—A. I presume so. I do not know the case exactly.

Q. Perhaps the Chief Examiner could verify that.

The Chief Examiner: Yes. That is the case.

By the Chairman:

Q. We will get a concrete case. We can take it that in the case of the position of clerk, grade 3, for the Christie Street Hospital, Toronto, department of Pensions and Health, that Thomas Leapard was appointed by temporary approval?—A. In the first case, I presume, the department took advantage of the emergency clause in the Act which allows his employment for thirty days, and had the certificate renewed until the competition was held.

Q. I do not care whether it was done by that method or because there was not an eligible list. I say there was a man employed there temporarily without having submitted to any examination. Is that not so?—A. Under the emergency clause an examination is not required.

Q. I do not care what clause it is under?—A. Yes. That is right.

Q. Is it not a fact?—A. It is in accordance with the Act.

Q. I am not suggesting that the Civil Service Commission does things that are not in accordance with the Act. Do not be fearful or apprehensive. How many months was that man in that position before it was advertised for open competition?—A. I think we have given you a memorandum of the facts. I have not got it with me.

Q. It was for some time anyway. It is an illustration of the case I am trying to make that there was a man who had a temporary appointment?—A. Yes. That is possible. There are a great many taken on under that emergency clause.

Q. Then, there have been others taken on under the emergency clause of the Act, or because there was not an eligible list?—A. Oh, yes.

Q. From time to time that has been done?—A. Quite so.

Q. When that happens, let me assume that you then hold a written examination. I want to get away from this particular case. You then hold a written examination?—A. Yes.

Q. And as the result of that written examination the competitors are listed 1, 2, 3 and 4 in the order of the marks they have obtained subject to the returned soldier preference; is not that so?—A. Yes, that is so.

Q. Now, with such a list established and with a temporary appointee qualified somewhere on that list, does not the Commission appoint that person who has the qualifications and who does not rank highest on the list if he has had one year's experience in the department at the request of the department in priority over someone who may rank highest on the list?—A. I should say no.

Q. Then in that event I am absolutely at a loss to appreciate what you were telling Mr. Bowman?—A. I said after they had served a year, after they had passed the examination. You say after this examination is held because he had been a year on it before he passed the examination.

Q. All right. That is the difference?—A. We would make the appointment from the eligible list in the situation you have described there.

Q. Let me put it this way: If a person holding that temporary position qualifies by examination, and after the examination, has had one year's experience, the Commission may, on the request of the department, appoint that person permanently to the position in which he has been temporarily employed, without reference to his standing on the list, so long as he is qualified?—A. I do not think the Commissioners would approve of his appointment, because the regulation would really not apply.

Q. If I produce papers where they have done so, what do you say?—A. This regulation I have referred to applies more to the general competitions for the lower classes. Now, in the case of a competition for an individual appointment, I would say that regulation would not be applicable, and I doubt very much whether the Commissioners would allow the Department to keep that man in that position after they had declared another successful in the competition held for the filling of this.

Q. Then, what is the answer if we find that we have brought before us concrete cases of where it has been done?—A. Well, of course, if you will give us the concrete cases we will show you exactly what happened. It is pretty hard to say offhand exactly what particular circumstances arose in connection with the appointment of some individual. I am quite sure that that is not done in very many instances, if it has been done in any instance. I presume we would have some reasonable explanation to offer.

Q. I may take it from you, then, that, irrespective of the regulations of the Civil Service Commission, one who has been temporarily employed in the department is not appointed to that position permanently when the open competition occurred unless the one so temporarily appointed has obtained the highest marks in that examination?—A. Unless there was some particular reason for not following the order or merit.

Q. Now, what particular reasons are there?—A. I cannot conceive of any just offhand.

Q. So that if that did occur it would be an extraordinary case?—A. It would be an extraordinary case.

Q. You cannot tell of any reasons at the moment?—A. It would be an extraordinary case.

Q. And if we found that sort of thing occurring once a month during the course of the year, it would be more than extraordinary?—A. Yes.

Q. Now, when I say and when you say that the temporary would not be appointed to a permanent position unless he ranks first on the list as the result of an examination, we are speaking of both the result of the written and oral examination, and the rating by weights, when we speak of them being on the list?—A. Yes. When that scheme of the examination has been properly applied your suggestion is that we sometimes appoint a person who is not at the head of the list—the person who is in the position temporarily, and who is away down on the list.

Q. That is my information, and I want to follow it through. You say that where that would occur it would be a most extraordinary case?—A. Yes.

By Mr. Bowman:

Q. I do not intend to labour this point at all, but I could not help but briefly gather from the evidence given by Dr. MacTavish the other day that the departments—the chief of the department had a great deal to say with

regard to these appointments. You were here when Dr. MacTavish gave his evidence?—A. Yes.

Q. I may be wrong in making my deductions, but I could not help but think from what Dr. MacTavish said that the departments had considerable to do with those appointments.

Now, would you tell me in your own words, and without any frills, just what weight temporary employment under any condition is given in selecting permanent employees?—A. Temporary employment gives you no right whatever to permanency, unless you have complied with all the provisions of the Act and the regulations made thereunder.

Q. All right. Go further than that?—A. And so far as the responsibility for appointments is concerned, that is entirely centred in the Civil Service Commission.

Q. Go a little further with your answer with regard to temporary appointees. You do not really mean to say—at least, I did not understand when I was questioning you in the first place—that the temporary employment has no weight in the final permanent appointment?—A. It has this weight; it gives you a preferred claim to permanency in the department in which you are employed when your name is reached on the eligible list or when you have served —after you have qualified—after one year in a permanent position. The regulations cover that.

Q. And in that case your place on the list does not make any difference?—A. Not if you have served for one year after qualifying, after passing a competitive examination, and after serving one year in that situation.

Q. Would this emergency clause—and the further clause in the regulations having respect to the weight given to a year's temporary service—not have the effect, in many cases, of taking the actual employment out of the hands of the Commission and turning it over to the department?—A. Not at all.

Q. The Commission are entirely satisfied with these provisions?—A. Yes.

Q. And the way they have worked out?—A. Yes.

Q. And the way they are working out?—A. Yes.

Q. They do not ask for any amendment of those provisions?—A. I would say not. We have, however, the emergency clause. It is quite valuable in a country such as ours. If you want a position filled immediately and the Commission has no eligible list the only reasonable thing to do is to give local selection for the time being. The department certifies to the Commission that the man they selected is qualified, possesses the necessary qualifications, and that he has been selected without regard to personal or political considerations. We issue the certificate on that for a sufficient length of time to enable us to hold a competitive competition to fill that vacancy.

Q. Political consideration or some other consideration very often does enter into the emergency appointment, and he might have gone into the department for a year. That might happen, might it not?—A. It does not, because he is not qualified. In a case like that, the regulations I referred to would not apply.

Q. How do you mean?—A. It is only after a person has qualified and served for one year in a permanent position that he may be put in that position at the request of the department without regard to his position on the list and without reference to our general examination. It would not refer, for example, to a position as a local postmaster.

Q. But you have pointed out to me a specific case where a man, for instance, with certain technical qualification may, at the request of a certain department, be put on in an emergency position where was no eligible list?—A. Yes.

Q. His choice might be, I suppose, from personal reasons on behalf of the deputy?—A. Yes.

Q. It might even be for political reasons?—A. Yes.

Q. And he would finally get into the Civil Service?—A. He would get into the Civil Service. There has been a good deal of criticism of appointments of that kind, because the impression that it gives outside is that a position of that kind is earmarked for a particular person. Now, it often happens, as it does frequently with men in the higher positions, that the man temporarily employed does get the position. There is quite a feeling outside, because it is said that that was all settled before the position was advertised. Now, I want to say this. We feel that our answer to that is very simple. We claim that his temporary service has not been taken into consideration in connection with the rating which is given him, and that he got the position because he was the best of the applicants; he was the best qualified of the applicants, without taking into consideration his temporary service in the department. Now—

The CHAIRMAN: I am afraid you are going to have some difficulty to justify that before we get through.

By Mr. Bowman:

Q. Under the circumstances you have been explaining to me, these facts are, apparently, not taken into consideration. The fact that he has got into the service, that he has been there for one year enables the appointment to be made finally, permanently?—A. No, it does not. It does not necessarily do that.

Q. Not necessarily; but it does happen, as you say, frequently?—A. It does happen, certainly. That is a practice of which the Commission has frequently complained in its annual report.

The CHAIRMAN: We are not criticizing the Commission; we are trying to get at the practice that prevails, and if we do not get it from you, we will have to try to put our fingers on concrete cases to show—

The WITNESS: In other words, you are supposing that the departments put it over on us sometimes?

The CHAIRMAN: I am saying that that is as a result of the system. I may be wrong. My personal view is derived from information given to me and circumstances that I have looked into. My personal opinion is that frequently people get positions in the Civil Service after being temporarily appointed, either because it is under the emergency clause or because there is no eligible list, or for some other one of a hundred reasons by which he can come in under the Act and regulations, and ultimately that person gets the permanent position, in spite of the fact that some other person has rated higher on an examination subsequently held. Now, my opinion may be all wrong, but that is what I want to get at. I am not saying it is the fault of the Commission; it is simply a practice?—A. That would be a very unusual case, where he is given preference, given the appointment, if he is not first on the eligible list. There may be a few cases of that kind, but I think if they were brought to our attention we could explain the particular reason that caused the Commission to depart from their regular rule in a case of that kind.

By Mr. Chevrier:

Q. Have you many of those cases?—A. I would say no; very few. There were a number of cases. They are yearly decreasing. There were a number of cases where men were temporarily in positions and the positions were subsequently advertised and these men were confirmed in the positions in a permanent capacity. They won them in the competition. The position is advertised, the advisory board is appointed, the applicants are rated and the man who happened to be in the position temporarily got the position. The

reason the Commission has always objected to that practice is that it gives the impression outside that these positions are earmarked for certain people, and why advertise them; but the Commission has no other way of filling those positions permanently than by advertising them. If a competent board of examiners is appointed and they happen to rate the man who has the position temporarily as the best qualified, it seems to me—

The CHAIRMAN: I think, Mr. Bowman, before we get through, we will have here several of the gentlemen who make these ratings, and we will find out to what extent they give ratings for experience, and what experience the men had in the temporary positions.

By Mr. Vallance:

Q. Let us take the case of a temporary appointment, say, to a local post office. The man has been appointed for a long time temporarily?—A. Well, he is appointed for thirty days.

Q. Then you hold your examination?—A. Then we hold our examination.

Q. What has been the practice? How long may he still hold the job temporarily?—A. Well, prior to 1929—you remember you gentlemen were in the House of Commons at the time—you remember that there was quite a discussion in the house as to the departments not placing in the position of postmaster the men appointed by the Civil Service Commission. Now, the question that engaged our attention at that time was how these men were being paid without a certificate from the Commission. Apparently, they found some way to do it. The Auditor General allowed the thing to go. And the question was raised in the House, and the Minister of Justice said he would get the opinion of his department. The opinion given by his department was that these people must be certified to by the Civil Service Commission in order to get their salaries legally. After 1929, when a man is selected by the department, if a vacancy occurs, he is put in the position temporarily. They ask for a certificate, and we issue the certificate for the usual two months, because it takes two months before the inspector visits the locality and makes his report. If they ask for further renewals, they are sometimes granted. We have tried to compel the departments to speed up the competitions. We find that in a great many cases, on the request of the department, we have to extend these certificates to an undue length of time.

Q. Four or five times?—A. Yes, before we get our report. There are a great number of these cases pending at the present time. Now, what could we do if the departments do not co-operate; if the departments refuse to send in the report in time to make an immediate appointment? We can refuse to issue the certificate, but then the office will have to be closed because a temporary appointee is not going to work for nothing. So, not to hinder public business, we issue those certificates for temporary employment. Now, there are a great number of those cases at the present time, as I say, that have been held in the departments for two months, and we are sending out follow-up letters every week asking them for the report to be sent in.

Q. So that the reason why they are not being filled permanently is not through any fault of the Commission?—A. It is not through any fault of the Commission.

Q. It is the department?—A. It is the department.

Mr. CHEVRIER: If we have any of those special cases, such as the one the Chairman mentioned, why not turn them over to the Commission and give them the file number and let them investigate and come up here with their files, instead of putting up cases like this that are sky high and where we do not know where we are getting off at. If you have any of these cases, give the file numbers to the Commission.

The CHAIRMAN: As far as I am concerned, gentlemen, any specific cases I have in mind I am going to have investigated before this Committee, and I will call in the witnesses, when I see fit, if the Committee will approve of the witnesses being subpoened. The Commission will have ample opportunity to show its files.

Mr. MACINNIS: If we have any cases such as Mr. Foran has pointed out, the deputy heads of the departments will be the proper ones for us to hear.

The CHAIRMAN: They will be here. My colleague has asked me to point out something which is important. Please do not let the view go abroad that this Committee is trying the Civil Service Commission or the Deputy Ministers. We are trying to get at facts. We are not trying the Civil Service Commission. We want to see how the Commission works.

The WITNESS: We appreciate that, Mr. Chairman.

By Mr. Bowman:

Q. Supposing that a postmaster is sick, or has been sick for some time, and his son, or his wife or some other member of his family, or even some outside man, is put in there as postmaster and remains there for a year or two; when the permanent appointment is under consideration, does that particular employee's service receive weight?—A. I would imagine the inspector would give him the highest rating. He might be displaced by the application of the returned soldier preference, and in a great many cases that happens.

By Mr. Ernst:

Q. Where you use a departmental official to conduct an oral examination, a personal interview, does that official get his instructions from the Civil Service Commission or from his particular department?—A. From his particular department. He has to use the forms of the Commission in making his report.

Q. I asked you that because I think it was Dr. Roche who said that for that particular purpose the official was the servant of the Commission?—A. We realize that. He is the servant of the Commission, because under the law—

Q. I wonder if it would not improve your system if you personally gave instructions?—A. When this new system started—when the outside service was brought under the Civil Service Commission—the question arose; how are you going to handle appointments in all the provinces of the country—out in those outlying places? We are free to admit that at that time it was a gigantic undertaking. We made the suggestion that we should have provincial offices, and have one or two field secretaries to go around and do the work under the control of the Commission, but on account of the enormous cost of maintaining those offices that proposal was not entertained at the time. Then the idea was conceived of using—the suggestion was made at that time—why not use the services of post office inspectors, and why not use the responsible representatives of the various departments for that purpose and make them your officers for that particular work? And that is the reason that special provision was put in the statute, and we find it works out satisfactorily. The suggestion is made of course—you do not know this as well as I do—that sometimes these officers are influenced by local consideration, but they take their oath to give their rating without regard to personal or political or any other consideration other than that of merit, and I think in the great majority of cases, in fact I feel confident, that these men perform their duties honestly and efficiently.

Q. Who administers the oath, Mr. Foran?—A. I imagine they take the oath before some person——

Q. It is sometimes more honoured in the breach than in the observance?—A. I should hope not.

Q. I would like to know if the examiner actually does take the oath?—A. He sends in a copy of the oath with his report.

By Mr. MacInnis:

Q. One more question, with regard to the renewal of temporary certificates. You say that they are renewed from time to time, and possibly a person may remain in a position for quite a while, because of lack of co-operation with the head or deputy head of the department. Is there any possibility of a person receiving a temporary appointment without a competititve examination?—A. Obtaining a permanent appointment without a competitive examination?

Q. Yes. After a continuity of reasonable temporary service?—A. If the Commission has to make an appointment they must hold a competition. They have no discretion under the law to make anybody permanent without a competition.

By Mr. Bowman:

Q. Do you mean a written or an oral examination?—A. An examination.

Mr. MacInnis: It depends on the post to be filled.

By the Chairman:

Q. If Mr. MacInnis had included in his question the word written, what would be the answer?

The Witness: Well, it is an examination not necessarily written. It may be an oral examination; it may be a demonstration of skill.

By the Chairman:

Q. That is, a man may acquire a permanent appointment without a written examination?—A. Oh, yes.

By Mr. MacInnis:

Q. Is there anyone in the service now, so far as you know, who has been holding a temporary appointment for over a year?—A. I would say there was.

Q. For longer than that?—A. Oh, yes.

Q. For two years?—A. I would say yes, perhaps for two years.

Q. Well, then you do grant renewal certificates indefinitely?—A. Well, we do, where the departments report that it is for purely temporary work, yes, because after all you quite understand that the Commission is not going to load up the department with permanent appointments, if the department represents that the work those people are engaged in is only of a temporary nature.

By the Chairman:

Q. What would be the explanation of a man being kept on as a temporary employee for a matter of from nine to ten years?—A. That is not good practice, but it is a practice that obtained long before we had any jurisdiction over the service.

By Mr. Ernst:

Q. Did you ever stand up on your hind legs and make trouble about it?—A. We have not.

Q. Why not?—A. We try to get along with the departments as harmoniously as we possibly can, and I think we have succeeded to a very large extent, but there are a number of these abuses in the public service yet that should really be cleaned up.

The Chairman: Well, that is what we are after.

The Witness: We are the logical department to do that and, if we get the proper co-operation from other departments, we are quite willing to undertake that work at any time. We have always deprecated the practice of continuing people in a temporary capacity.

By the Chairman:

Q. Wherever we find a man who has been working in the civil service in a temporary capacity for a period of time, let us say from one year to eleven years, without a competition and without further examination, can we take is that it is always caused by the fact that the department has kept on requesting extension, extension, extension?—A. Yes. A temporary certificate can only be issued for six months at a time, and it is renewed from time to time at the request of the department, and when the necessity of continuing temporary employees is questioned by the Commission we invariably get the answer that the work is there to be done and that this man has been engaged in this work for a certain period of time.

Q. Would not the Commission, in the ordinary course of events, after a year or two, say to the department: You have a permanent job, why don't you let us fill it?—A. We have asked them that question, but they say that they don't want to make a permanent position. As I say, it would be bad policy on the part of the Commission to compel a department to load itself up with positions if the work is not there to be done.

By Mr. MacInnis:

Q. Don't you think it would be just as bad practice on the part of the Commission, if the reverse were the case?—A. If there is any way for the Commission to stop it, I think it should be done.

By the Chairman:

Q. Have the Commission not that power now?—A. Yes, to refuse the certificate.

Q. Is it not the understanding that the temporary position would automatically end at the expiry of the certificate?—A. We have had cases where we have issued a renewal on the understanding that this was positively the last renewal. Then comes along a request, a long letter from the department, explaining why it would be very detrimental to the work of the office, if the Commission should refuse to extend the certificate, and so on.

By Mr. Chevrier:

Q. How many cases like that have you?—A. There are a number of cases like that. They are cropping up all the time.

Q. Could you say how many you have?—A. We could give you a statement, I think, of all the temporary employees whose periods of service extend over a year.

By the Chairman:

Q. Could we have that, Mr. Foran, showing the number whose temporary certificates were extended from one to two years and the number whose temporary certificates extended from two to three years and from three to four years, and so on, until they run out?—A. Yes, we would be very glad to do that. If you gentlemen can assist us to stop that, we will be the most appreciative people in the land. The departments hesitate to load up their establishments with permanent positions when they feel that this work, special work, will subside within a certain time.

Mr. BOWMAN: Personally, I don't see much objection to it, provided that this temporary service is not the means of giving preference for a permanent position without competitive examination.

By Mr. Vallance:

Q. Take the case of a man who is in there temporarily for two, three or four years. You must from time to time renew the certificate. I know an instance now—and that is why I ask the question—of a post office where they asked

for a temporary appointment and it was granted to them. An examination was held, in fact the examination was held some months ago and yet we have the position still being filled temporarily?—A. Sure.

Q. It is possible then, as I have gathered from what you have said, that this sort of thing may continue for from one to five years?—A. Of course we are making an honest effort to stop that sort of thing.

Q. Don't you think, then, that a recommendation from this Committee to do away with that sort of thing would be quite in order?—A. I do. We would welcome that very much.

By the Chairman:

Q. I was going to ask, Mr. Foran, another question just along those lines. There are cases, I understand, in which a person is in a temporary appointment and then a competition is held for this position, and for some reason or other no permanent appointment is made but the temporary person is still continued as temporary for some period of time,—what is the reason for that?—A. Well, I would have to know—

Q. I mean, Mr. Vallance has just cited a case, for example.—A. But Mr. Vallance has in mind a rural postmaster. But to answer your question I would say that probably the man that is recommended by the post office inspector is not the man on the job and is not the man they want to give it to and they are holding the report.

Q. And that is why a permanent appointment is not made, although a competition has been held?—A. We have not got the papers on which we could make the appointment.

Q. Just to follow out the illustration of the Post Office Department holding up those reports for a year, what is to prevent the same condition continuing?—A. Well, of course, my feeling is that the Commissioners should draw the line as to how long they are going to allow that condition to exist.

Q. You are telling me now what they should do. I want to get the practice as it now is, and I mention the Post Office just because that is the one Mr. Vallance mentioned.—A. There are a few cases outstanding where we have considered it quite unreasonable, that is, the time elapsing between the holding of the examination and the receipt of the report.

Q. And under the present practive nothing happens until the department sends over those reports?—A. Exactly. We cannot make the permanent appointment until we get the report.

By Mr. MacInnis:

Q. The Commission, quite naturally I suppose, tries to get on as harmoniously with the departments as is possible?—A. We do.

Q. That is a natural thing; but cannot harmony be carried a little too far sometimes? What is the Commission supposed to be for, for the good of the service?—A. That is a difficult question to answer.

Q. The Commission is not subordinate to the department?—A. On Tuesday, in his evidence, Dr. Roche placed his finger on what he considers—and what I think we all agree—is a handicap under which the Commission labours, because of its having no spokesman in Parliament. Now, it has always occurred to me that the remedy for that situation is to have a permanent Parliamentary Committee on Civil Service. As the Chairman and Mr. Chevrier pointed out, the Commission is responsible only to Parliament, and that causes probably, a little indifference on the part of any minister to take up the cudgels on behalf of the Commission. You have Parliamentary Committees on Agriculture, on Banking and Commerce, on Fisheries, and on Privileges and Elections. In the book just issued by the Bureau of Statistics, there is a statement showing that the expendi-

ture, in 1930, on civil service, in salaries and wages, was over $90.000.000, and yet the expenditure of that money is never investigated by a Parliamentary Committee. The salvation of the Commission is this, if you have a Parliamentary Committee that will go into the work and the decisions of the Commission annually, where it can be pointed out that the Act is not working, because of lack of co-operation on the part of the departments, or because of an unfair attitude on the part of the Commission or for any other reasons, then these difficulties could be straightened out by this Parliamentary Committee. You will have, in Parliament, the Chairman of that Committee, you will have the members of that Committee to go into the expenditure, into the working of the departments, either the increase in the department, during the year, or the decrease, that has taken place. You will have the members coming here feeling that any situation that has developed in their constituency will be thoroughly investigated by such a committee, and that a member will get the facts with regard to it. That being so, then you will remedy the situation which Dr. MacTavish spoke of with regard to the people of the country. My own observation convinces me that the majority of the people of Canada are solidly behind the merit system, but because of the misrepresentations—

By Mr. Chevrier:

Q. Do you mean that the service would be investigated by a Parliamentary Committee each year?—A. I think if the work of the Commission, and the work of the departments, was carefully scrutinized by a committee every year that it would lead to immense improvements. It would improve the morale of the service.

By the Chairman:

Q. Your view is that it would be of benefit to the service at large if there was a committee steadily on the job?—A. Yes.

By Mr. Chevrier:

Q. Supposing that were put into effect, and supposing this proposed committee made recommendations which were put into effect, do you think they would have the same amount of support in the administration of the civil service?—A. It would be a great thing for the civil service and it would be a wonderful thing for the country. It would give the people of the country the confidence that they have not now in your public service. There has been so much misrepresentation by the enemies of the civil service,—for example in the country you will hear it said that the system is all right, but the administration is bad. Well, now, if you had this Parliamentary Committee, I am quite sure that this impression would very quickly be removed and that the enemies of the system would have to adopt another line of attack.

By the Chairman:

Q. In coming to that conclusion, Mr. Foran, have you given due consideration to the fact that the political lives of the members of any Committee are usually very short. The House would have to change the personnel frequently.—A. That is true of some men, but in any case there would be, in Parliament, the Chairman of that Committee, who would be in the position to give accurate and reliable information, when any matter affecting the public service came up, and then there would be the other members of the Committee familiar with Civil Service affairs, and it is really a work in which I think the members of Parliament could render a very useful and very valuable service to the country.

Mr. ERNST: I rather like your suggestion, Mr. Foran. I think there is a field for work in which matters affecting the civil service might very well be referred to such a Committee.

The WITNESS: Take our annual reports for the last ten years. There was a reorganization ten years ago and since that time we have made many recommendations in our annual reports, but no action has ever been taken on those recommendations. If you had the committee I suggest, some action, no doubt, would have been taken there and then on those recommendations. If our recommendations in the last ten years had been acted on, the condition that is in the service to-day would probably not exist at all.

By Mr. Laurin:

Q. Do you say that public opinion is against the administration of the Civil Service Commission?—A. I say there is an impression abroad, caused by the misrepresentations of the enemies of the system, that the law is badly administered. That is my observation, that is my own opinion based upon my observation, that the majority of the people of Canada are solidly behind the merit system, but I do think there is an impression abroad—you see that in the editorials of newspapers—that perhaps there is bad administration. If you had this annual once-over—

The CHAIRMAN: The members of the Committee would get it from the public once every four years.

Mr. VALLANCE: Some of us do not last very long.

Mr. MACINNIS: Members of Parliament are in just as bad favour with the public as are the members of the Commission.

Mr. ERNST: Speak for yourself, Mr. MacInnis.

The CHAIRMAN: I think your suggestion is worthy of attention.

The WITNESS: I am giving you an opinion based on forty-five years in the Civil Service. I do not know of any work to which a member of Parliament could more usefully apply himself than helping to remove the impression in the country with regard to your public service. When you are spending the money that you are on your public service I do not know that you could render any more valuable service to the people whom you represent than to be able to give them the guarantee that this money is worthily and properly spent.

By the Chairman:

Q. Do you know, as a matter of fact, if there is such a Committee of the British House of Commons, dealing with the British Civil Service?—A. The Treasury Board there takes the place of this Committee.

Mr. BOWMAN: I think the suggestion a very good one.

The CHAIRMAN: Worthy of a lot of consideration.

By Mr. Ernst:

Q. You mean that the Committee should look into matters of organization as well as any differences of opinion between the Commission and the departments?—A. Exactly.

Q. That brings me to another point. What objection do you see to disassociating the organization of the service as such, from the Civil Service Commission and placing it in our Treasury Board?—A. Well, I think the logical department to administer organization work is the Civil Service Commission. It was organized for that purpose and I think we are well equipped to do the work, better equipped than the Treasury Board at the present time. It might be given consideration, that the Organization Branch of the Commission be transferred to the Treasury Board.

Q. The suggestion was made to me by someone.—A. Well, I think that the system as it is at the present time should be maintained. I think that you get better results in that way.

Q. Does it not occur to you that possibly organization might be more vigorously looked after if it were in the hands of the Treasury Board? It also has to look after finance and it would have the single eye to give under ordinary conditions— —A. Well, of course, we could work in conjunction with the Treasury Board. We have the staff for that purpose.

Q. Are you doing anything really tangible now along the line of organization?—A. No, we are not.

Mr. VALLANCE: Mr. Chairman, might I ask what is meant by "organization"?

Mr. ERNST: I mean going into a department and looking into its state of efficiency.

By Mr. Chevrier:

Q. Wasn't that all done some years ago?—A. Yes. As the result of those recent heavy reductions made in departments, it would be necessary to recast the establishment of those departments. It will be necessary to re-distribute duties, and all that work we are equipped to perform, and I think we are the logical department to handle it, and we shall be glad to undertake that work at any time if we are requested by a department.

By the Chairman:

Q. I presume there would be a good deal of objection to that, would there not, from the deputy heads of departments as interfering with their perogatives? —A. The law clearly gives us that power now.

Q. I don't think there is any question?—A. That opinion is valuable seeing it comes from a lawyer.

Mr. ERNST: It doesn't mean anything.

The CHAIRMAN: They are most disagreeable fellows, you see.

The WITNESS: We recently sent a report to the government asking to be allowed to go into certain departments and examine their organization. The government returned the recommendation with the statement that if we had the power under the law we could start in and do it. Now, the Commissioners seem to be a little hesitant about undertaking the work because they feel that if they investigate and make a recommendation and then submit their report to the minister of the department, who must sign it in order to get it before council, and he refuses, the time and labour is wasted.

By Mr. Ernst:

Q. Which brings me back to my original question, would it not be better to attach it to the Treasury Board? You say you are the logical body to do it. Do you mean by that that you are equipped to do it?—A. We are equipped to do it. I do not know that the Treasury Board would have any more authority at the present time than we have.

Q. If they once clothe themselves with that authority— —A. If you will recommend to give us the authority, why we will do it.

Q. Then you would come back to this position, if you find yourselves in conflict with the minister you would be just where you are with temporary positions?—A. Yes, there is that handicap.

Q. You might get into very great difficulty with the department, and if the Treasury Board ordered an investigation into the organization of a particular department, the minister would not be in a position to demur, he would have to accept it?—A. In that case, yes.

By Mr. Vallance:

Q. Mr. Foran, having in view the discussion that has taken place this afternoon—and I say this in the kindliest way—do you consider that the Organization Branch within your own department is so efficient that it would warrant other departments handing over to you the organization of their department?—A. Yes, we are specially equipped for it. I do not know that you would get in the public service to-day any number of men who know the organization of the departments better than we do. That has been our study for ten years, and we could do the work much more speedily than they can.

By Mr. Ernst:

Q. I think you miss my point. I am not suggesting that you are not equipped, as far as personnel goes, nor am I suggesting that the personnel of your department which is available for organization purposes should be transferred to the control of the Treasury Board, but I am asking you to assume that the same experts were available to the Treasury Board, might you not get better results by passing that part of your duties over to the Treasury Board, rather than having it done through the Commission?—A. Well, I have always looked on that as a possibility, but I still think that we should be clothed with sufficient authority to go ahead and make those organization studies.

Q. Well, now, what reason can you give me for that?—A. Well, simply because I think that we have the staff.

By Mr. Chevrier:

Q. The Treasury Board is not equipped?—A. No, not at all.

Mr. ERNST: I think Mr. Chevrier is also evading the point.

The WITNESS: I am assuming the Treasury Board takes that staff which is available and attaches it to itself.

Mr. CHEVRIER: And what would the Civil Service Commission do then?

Mr. ERNST: It still has a fair amount to do with examinations and selecting candidates for positions.

By Mr. Bowman:

Q. As a matter of fact, Mr. Foran, your department has nothing to do with organization at the present time, has it?—A. Oh, yes, everything.

By the Chairman:

Q. In what way?—A. Well, of course, they could make reductions, but they cannot change organization without the approval and concurrence of the Commission. What is done is they proceed with a small committee of their own and they make their reorganization and then they call in the Commission to look this over, and if everything is satisfactory the Commission very often approves of it.

By Mr. Chevrier:

Q. Do you mean to say that all of these dismissals that have taken place recently were made with the concurrence of the Commission?—A. Oh, not dismissals, no; but organization.

Q. Wait a moment. When you say that a small committee of some of the officials of the department get together and then decide upon releasing a certain number of people, probably for reasons of economy, surely you do not mean to say that the Civil Service Commission has approved of that?—A. Not at all. The Commission must be called in subsequently to readjust.

Q. But not in connection with these dismissals?—A. Oh, no.

By Mr. Bowman:

Q. Well, then, following that up, what has it got to do with organization, if you do not do the hiring and firing?—A. We are called in. We have done a lot of organization work. We are called in by some department that wants their department reorganized, or want some adjustments made. They report to us and we send our men in there, and we could give you the report of our activities in that respect for the last ten years, which would show you that our staff has been very busy.

Q. In the great majority of cases the reorganization was made by the department itself and perhaps submitted to you for approval, because you have to fill the position?—A. Oh, no. The reorganization has to have the approval of the Commisison, or it is not legal.

Q. I say the department made the reorganization— —A. No, no, the Commission did that. If the deputy comes to the conclusion that things are not as he thinks they should be in his department, after consulting with the heads of branches, he may have reports made and a reorganization chart arranged; then when he gets that far with it he calls in the Civil Service Commission.

Q. That is just exactly the point I am trying to make. It originates— —A. I think the law really contemplates that when any reorganization work of any kind is done the Commission should be called in at once. I do not think even the preliminary work is a part of the duty of a department.

The CHAIRMAN: I think you will find already in the hands of our Clerk a chart of the organization of each department which has been approved or initiated by the Commission already.

Mr. FORAN: Yes.

By Mr. Bowman:

Q. Quite so, but that does not make this point any different, Mr. Chairman, as to who originates the plan of organization. What is your answer to that, Mr. Foran?—A. In most cases the Commission does.

By Mr. Ernst:

Q. Can you, Mr. Foran, give me any concrete instance, say within the last five years, where the Civil Service Commission has been actually called in by a department and has proceeded to organize that department?—A. Yes, we have it here.

Q. Where they were the motivating factor?—A. Where they approved.

Q. No, no, where they actually went into the department and reorganized it, where they actually did the reorganizing?—A. We have a number of instances, yes.

Mr. CHEVRIER: Whilst you are looking that up, Mr. Foran, I might read section 9 of the Civil Service Act:

> The Commission shall, after consulting with the several deputy heads, the heads of branches and other chief officers, prepare plans for the organization of each department and of each branch or portion of the civil service, such organization to follow, as far as possible, the same general principles in all branches of the civil service.

The WITNESS: That work has only been partially completed, and that is the work that we want to undertake now.

By Mr. Ernst:

Q. And that is the work I am asking you if you don't think it might be more effectively done by an efficient staff—I am assuming your efficiency—

under the Treasury Board, using the British System, than under the system which you have here, as part of the Civil Service Commission?—A. There are a great many who have the idea that you have suggested to-day, Mr. Ernst.

Q. I am asking you what great objection you can raise to it, Mr. Foran? —A. Well, I would say that my objection to it is that the Civil Service Commission is the logical department to deal with it.

Q. Why the logical department?—A. Well, because it is the personnel department of the public service and should deal with all matters affecting personnel.

Q. I don't quite see it that way.—A. Of course when you cite England as an example, the system there is somewhat different to what has developed on this continent, particularly in the United States where, as you are probably aware, there is a personnel branch in every large industrial and commercial establishment. In addition, the Federal, State, and Municipal Governments have their Civil Service Commissions, and in these personnel branches and Commissions, all matters of organization are dealt with. I imagine there is a very good reason for that, and I would say that we would not make any mistake in following their example in allowing all personnel matters to be handled by the personnel branch of the Government which, in our case, is the Civil Service Commission.

By Mr. Bowman:

Q. That has been pretty much neglected in the government up to date.—A. Well, it has—the work that was imposed on the commission with regard to fixing up of these, making surveys—our reorganization has not proceeded very far because of the preliminary work we have had to do in connection with the reclassification of the service, but now we are ready to go on with the surveys in the departments, and it was in that connection that the report I have mentioned went to Council, and we have under consideration now the commencement of the work in the near future.

By Mr. Ernst:

Q. May I ask another question. Don't you think, Mr. Foran, that the Organization Branch should be where it would get the most motivating force? —A. Well, it should get that right down in the Commission.

Q. Don't you think it would be more likely to get that from the Treasury Board, which is in charge of the expenditures of the country?

Mr. CHEVRIER: The expenditures should not be the primary reason; efficiency in the service should be the primary consideration.

Mr. ERNST: I am asking Mr. Foran the question.

By Mr. Ernst:

Q. My point was this. Let me take an illustration. Supposing the Treasury Board feels that a certain department, having regard to the volume of work which it is doing, is over-staffed. It immediately has the incentive to send efficiency experts—that is, an efficiency expert attached to that Board—into the department, with a view to reorganization.—A. I would say that the logical thing for the Treasury Board to do would be to pass a minute authorizing the Commission to go into the department at once.

Q. That may be so; but when you have an Organization Branch attached to the Treasury Board.—A. Of course, that is a matter for you gentlemen to decide.

Q. Well, I am asking you. I have no opinion on it; I am merely asking you.

Mr. MacInnis: I think, according to the Act, the Commission has very full powers in the matter of organization. You can initiate organization?

The Witnesss I think that is true, Mr. MacInnis.

Mr. Bowman: They have not been doing it.

Mr. MacInnis: That is the point. If they have not been doing it, then the fault lies either with the Commission itself, or it was dissuaded from carrying it out, owing to opposition from the department heads. That is my opinion, which may possibly not be right. Is that so?—A. I think that, perhaps, at the present time, we should be very wary, as we were a few years ago—at all events, the Commission have hesitated undertaking this work because of the fact that they have feared there would be—they would not receive the cooperation and assistance of the departments that would be necessary in order to make a success of the work.

By Mr. Ernst:

Q. That fear would not be present in the minds of the Treasury Board.

Mr. MacInnis: The Commission do not pass these plans in the departments; they are approved by the Governor in Council. Sub-section 2 of section 9 says: "As soon as the plan of organization is completed, for any branch or portion of the Civil Service, such plan or organization shall be submitted for the approval of the Governor in Council."

The Chairman: It would have to go through the minister of a department, as that is the only way you can get it through.

Mr. MacInnis: That is only a matter of courtesy.

Mr. Ernst: It is more than a matter of courtesy; it is a matter of necessity.

Mr. MacInnis: Just one moment. Read subsection 3: "If, after such approval, the deputy head of the Commission is of opinion that any such plan or organization might with advantage be in any way changed, the Commission shall, in a similar manner, prepare a report upon such proposed change, and shall submit the same for the approval of the Governor in Council. No change shall be made in the organization of any department until it has been so reported upon by the Commission." Now, it seems to me that they first make their report to the Governor in Council.

By Mr. Ernst:

Q. They must have it through the Minister.

The Chairman: That is the only way of getting it through. In order to get it through, it must go through some responsible party.

Mr. MacInnis: That must be a fault in the Act.

The Chairman: No.

Mr. MacInnis: Let me point out again, "If, after such approval—" that is, approval of the Governor in Council.

The Chairman: No, approval by the Commission of the reorganization.

Mr. MacInnis: Read clause 2. "As soon as the plan of organization is completed for any branch or portion of the civil service, such plan of organization shall be submitted for the approval of the Governor in Council."

The Chairman: I beg your pardon.

Mr. MacInnis: "If, after such approval, the deputy head or the Commission is of opinion that any such plan of organization might with advantage be in any way changed, the Commission shall, in a similar manner, prepare a

report upon such proposed change, and shall submit the same for the approval of the Governor in Council. No change shall be made in the organization of any department until it has been so reported upon by the Commission."

Mr. ERNST: The process is gone over again.

Mr. MACINNIS: And again submitted to the Governor in Council.

The WITNESS: It must be submitted by the head of a department.

Mr. MACINNIS: After the Commission makes the plan of organization, presents it to the head of the department, to the minister, I do not think the minister has any recourse but to submit it to the Governor in Council.

Mr. ERNST: If he is hostile it is not very likely to pass the Governor in Council, naturally. That is the point.

Mr. MACINNIS: Then, why put the blame on the regular organization?

The WITNESS: I think if you change it to say "report direct to the Treasury Board"—

By Mr. Bowman:

Q. It would be the same thing.—A. If you say "report direct to Treasury Board," the Treasury Board can deal with it without—

The CHAIRMAN: Don't you think we have had enough facts on this to give it consideration?

The WITNESS: We will be very glad to give you a memorandum.

Mr. ERNST: It is one of the two chief functions of the Civil Service Commission.

Mr. MACINNIS: There is no use making any selections, unless you have a good organization with which to put it into effect.

The WITNESS: I think it would be very useful if, later in your proceedings, you would call in the Chief of the Organization Branch to explain to you exactly the amount of organization work that has been done. I make that suggestion.

By Mr. Bowman:

Q. Mention has been made of efficiency experts. You think that efficiency experts either in your own department, or attached to some other branch, might do good work?—A. I am quite sure they are capable of doing very good work, because they specialized in that work for some years.

Q. I suppose there is really work to be done in the departments?—A. No question about that.

Q. I suppose there is some duplication of service?—A. Yes.

Q. Which might be avoided.—A. Probably slight overmanning in some departments, certain duplication of work, overlapping, a great many conditions of that kind could be discovered, and would be remedied by a proper survey by officers of our Commission.

Q. Some co-ordination?—A. Yes.

Q. Of work and cutting down a lot of duplications?—A. Quite so.

Q. And so forth.—A. I think there is a lot of useful work which could be done to relieve the government of a lot of criticism for not having the work done in an orderly and regular way by those who apparently are looked to by Parliament to do the work, and so on. I think it would be a proper thing to have the Commission's officers start as soon as possible to work that out.

Q. You said a little while ago that classification had been attempted some years ago.—A. Yes. It was a big undertaking.

Q. About what year was that?—A. It started in 1919, 1920 and 1921.

Q. A lot could happen in 10 years?—A. Yes, and that is just what I say. There is no doubt that conditions have developed within that time that require to be remedied. If you have this Parliamentary Committee which I have suggested, I think it would be the means of checking any abuses growing up in the public service; it would place the public service, as I say, in a far better position in the years to come, than it is to-day.

The CHAIRMAN: I was going to suggest to the members of the Committee, as our time may be limited before the end of the session, that as reclassification is probably of lesser importance than any of the matters assigned to us, we might leave that phase of the matter over until the tail-end of our hearings, to see how much time we may have to devote to it.

Mr. ERNST: My only point was to see whether or not the Organization Branch might not be very properly attached to the Treasury Board, and do more active work.

The CHAIRMAN: The reason for my remark was I thought Mr. Bowman was going to get into re-classification.

Mr. BOWMAN: I am not going into re-classification at the present time.

By Mr. Laurin:

Q. Have you any suggestion to make relating to examination of the applicants? Have you any suggestion to make to the Committee at the present time?—A. Well, not at this stage, no.

Q. Can you tell me if there is any exemptions from competitive examination for applicants?—A. Exemptions?

Q. Yes.—A. What do you mean?

Q. I mean for certain positions. Don't you think that those who have degrees from universities, or colleges, or classical schools should be exempted from passing certain examinations if they are well recommended?—A. Well, you see, you get away from the element of competition there, which is a fundamental principle of the present system.

Q. They have a degree from a University, after a classical course, and they are well recommended. Don't you think it would be to the interest of the Civil Service to accept them?—A. As I say, Mr. Laurin, you get away from the element of competition, which is a fundamental principle of the law.

Q. There is no law without exceptions—A. Well, I do not think it is desirable to exempt from open competition because of holding any diplomas.

Q. It is against the principle of the Act?—A. Yes. I think it would rather complicate things.

Mr. MACINNIS: How are you going to make a selection if you have two or three or four applicants with the same degrees?

Mr. ERNST: From different Universities.

The WITNESS: There would be no possibility of making a selection, because you cannot accept anything under the law but our examinees; you must place everybody on the same basis.

By the Chairman:

Q. Of course, under competitive examinations, where there are two or three candidates, you really make selections, at least, you deputize to some individuals the making of selections, which is based on their opinion of the man who came before them, all of whom may have equivalent degrees, so far as that is concerned.—A. In that case, they would give some mark for education. If they are equal with regard to education, they give the same mark, and then the final test would be experience.

Q. In respect to all those oral examinations, I suppose in the final analysis the contest comes down to who are making the selections.

By Mr. Laurin:

Q. Do you think it would be a better method, you would get a better selection, to have these young men accepted without examination?—A. No. You cannot do that with a system of open competitive examinations, Mr. Laurin. If you do not adhere to the general rule; that is, if you are to allow applicants who had special degrees to be exempt from examination, you cannot make a selection on a general basis in that case.

By the Chairman:

Q. For all technical positions now, you do not have written examinations? You merely have oral examinations?—A. For some we do.

Q. Generally speaking?—A. Yes.

Q. It is oral examinations?—A. Oral examinations.

Q. Some one or more persons designated by the Commission make that oral examination, and generally speaking, all the men having equal classification, for example, if you were choosing a lawyer, only graduate lawyers could apply, so that it would be a matter of which man, in the opinion of the particular examiner, would be best qualified to fill the position assuming that no other influences came into play.—A. What happens is this, Mr. Chairman: you have ten applicants for a position, then the board rates the qualifications of those applicants on their sworn statements as to their education and experience. If the applicants are about equal in education and experience, then they are called in for the oral examination, but there is the preliminary rating on their education and experience by this board, before the oral examination.

Q. Now, the one who has the final say is the one who takes this oral examination?—A. Yes, that is the board—not the final say—the final say, of course, is by the commissioners, but they have entrusted this board with the duty of advising them, which board, in their opinion, is peculiarly fitted for that work. In most cases they accept the advice of this Board as to who is the best applicant in the competition.

Q. So, as I said, generally speaking, for technical positions, where written examinations are not held, somebody's opinion has to be exercised in the final analysis, and that somebody is the person— —A. Is this board.

Q. —designated by the Commission, I don't care whether a board or whether an individual, in choosing one out of the group of men?—A. It is the joint recommendation of this board.

Q. Plus the person who makes the final oral examination?—A. The board makes the oral examination.

By Mr. Chevrier:

Q. When that is done and when you have an examination and have a board for the appointment of a technical officer, do you simply examine them as to their education and the like, or do you take into account the position which they are to fill, the capabilities and adaptabilities and capacities of the various applicants for the position in which they are to be placed? I understand that on these boards there are representatives of the department, representatives of the Commission and a returned soldier, if need be, and— —A. One or two outsiders.

Q. —ratings were given as to education and the like, and also there is a certain factor that has to be taken into account as to the suitability of the applicants to suit the position?—A. That would come out in the oral examination.

Q. It is not only a question of educational rating; it is also a question of adaptability to fill the position required?—A. Yes; but the educational rating must have been satisfactory or he would not be given the oral.

Q. In regard to the appointment of lawyers, it is not simply a question of deciding between three lawyers, say, to occupy the position of Registrar of the Exchequer Court, but it would be a selection of their capacities, legal training and the like, and also other capacities to fill that particular position?—A. Quite so.

Q. If you wanted a lawyer whose work would be largely before the Exchequer Court, you would probably select from among the three men who were called in the man who had the longest experience in Exchequer Court work. You would not select because of education purely and simply?—A. No.

The CHAIRMAN: Oh, no; there was no suggestion of that.

By Mr. Bowman:

Q. Would you give us once more the weights that are taken into consideration in appointments?—A. These are the weights for most of our positions. I think, with regard to the application of these weights, the Chief Examiner would be the proper man to question.

Q. I wanted the weights placed on record?—A. Shall I put these in?

The CHAIRMAN: They will be printed in the report.

(Table of weights filed in the record as Appendix A.)

By Mr. Bowman:

Q. In glancing at this list of examinations and schedules of weights which has just been placed in the record, the first thing that strikes me is the weight that is given to oral examination. In the first case, assistant migratory bird warden; written examination, six; education and experience, nothing; oral examination, four?—A. You see, the education and experience is determined by the written examination in that case.

Q. Take the position of caretaker. There nothing is allowed, for written examination; three, for education and experience; and seven, for oral. Cleaner and helper, the same; clerk of works, the same; and so on, all the way down the list. The great preponderance of weight is given to the oral examination?—A. Of course, in these low grade positions the oral examination should be the important one; it should be the factor to which the highest rate would be given.

Q. Naturally, in these cases, the opinion of the man who has been appointed by the board would be the predominating factor in the appointment?—A. The man who conducts the oral interview, yes.

Q. Now, would you just explain what you mean by an eligible list?—A. An eligible list is a list of persons who have qualified for any particular class of public service.

Q. And what is the practice in connection with eligible lists?—A. You mean the practice?

The CHAIRMAN: Do you mean how are they made up?

By Mr. Bowman:

Q. The making up of them and the subsequent dealing with them?—A. Well, the life of an eligible list is—

Q. First, deal with it in order. How do you make up your eligible list?—A. By the results of examinations candidates are placed in an order of merit on an eligible list for that class. The life of that list we have always held should be limited to one year, and that recommendation was made to the Malcolm Committee, but at present there is no time set for the life of a list, and as a result,

if there are not any assignments made from it in the course of a year it is, by a minute of the Commission, renewed for stated periods until the Commissioners feel that its usefulness has ceased and they, by minute, cancel the list.

Q. How long would you say eligible lists have been allowed to run?—A. Oh, they have run for long periods, if there are not many assignments made from them. The Commissioners, because of the cost of holding further examinations, have allowed them to continue for some considerable time.

Q. What would be a considerable time?—A. I could not say exactly. They have run as long as three years. For certain classes, the large groups in the service, the eligible list is usually exhausted within the year or shortly afterwards, but I am speaking now of the classes for which vacancies seldom occur.

Q. Supposing you had a particular position for a grade 2 stenographer and you had an examination and established a list, how long, in the ordinary course of events, would that list last?—A. Eligible lists for stenographers are very quickly exhaused. We have found it necessary heretofore to hold examinations almost annually for that class.

Q. And when you make an eligible list, say, of grade 2 stenographers, an appointment from that eligible list may be made to any particular department which requires a grade 2 stenographer?—A. Yes.

Q. And when that eligible list is once made up, are the assignments made in strict accordance with the eligible lists?—A. Yes; with the exceptions I have indicated here earlier in the day.

Q. What are they?—A. For example, if you wanted a bilingual stenographer, and the next in line is not a bilingual stenographer, you have to go down the list until you get one. Then, if the person on that eligible list has a year from that time—

Q. Temporary employment?—A. Temporary employment again—is filling a position of a permanent nature and her appointment is asked for, she may be made permanent in that position without regard to her position on the list; but it is very seldom that that has been done for the simple reason that the list is exhausted within the year. Their number or name will probably be reached before they have served a year.

Q. Would the Commission care to make any recommendation to this Committee with respect to the length of time an eligible list should be in force? —A. That is a question that really should be answered by the Commissioners, but I know their views, and I think they are of the opinion that the life of an eligible list should not continue longer than one year. That was the recommendation they made to the Malcolm Committee, and I do not think they have changed their opinion.

Q. That recommendation has never been brought into effect?—A. No, because the report of the Malcolm Committee was never acted upon.

Q. Are there any objections to the practice of setting up these eligible lists and filling them—are there any objections to that practice of which the Commission are aware?—A. No.

Q. It does not work any hardships to anybody?—A. No

Q. And you think it is a good practice to carry on that system?—A. Just a moment. I would like to qualify that. I do not like the practice of extending eligible lists. I think we should have a stated term for the life of a list, but when that term expires, it should automatically expire after that time. I think there has been some complaint about the extension of lists.

By the Chairman:

Q. While you are on eligible lists, I have a letter which I received in my mail a day or so ago. The information in it was very sketchy, and I wrote back for details. It would appear that a man has tried to get on as a letter carrier and

has written practically every examination—and qualified—since 1920 and yet cannot get an appointment as a letter carrier, because the eligible list is always cut off?—A. Before his name is reached? Yes, that happens.

Q. That has worked great hardship.

Mr. BOWMAN: Can that actually happen?

The WITNESS: Oh, yes.

Mr. CHEVRIER: That is true; but is not the answer to that the merit system?

The WITNESS: Yes, the merit system.

The CHAIRMAN: No. The answer is not the merit system; the answer is that the eligible list is out of date and expired at a certain period of time.

By Mr. Chevrier:

Q. Suppose that you hold an examination, this year, for the appointment of letter carriers and that you have 96 people passed and placed on that eligible list, and that this man is number 87. Then, you appoint a certain number during the year, and at the end of the year you reach the number 80. This man now remains seventh; but during the year other people have come up who may be just as well qualified as that man will be qualified for that position, and, as I understand it—and I want you to tell me if I am wrong—appointments into the service are to be made on merit, that is the capability of that person to fill that position irrespective of anything else?—A. Yes.

Q. During that year a certain number of people have come up and when the examination is held over again this man was seventh on the list, when the list expired, competes again and is unable to make a rank better than 75. Then, he is not as good as the other 74 fellows ahead of him?—A. No.

Q. That is the merit system?—A. Exactly.

By the Chairman:

Q. Unfortunately, in this man's case, from what I judge from his letter, I think another element enters into it. He is only 28 years of age and he stands fairly high in his examinations all the time, but, because of the returned soldier preference, he is automatically dropped?—A. As a matter of fact, from 1908 until the 1918 Act we were required to hold examinations for a stated number of positions. Then the examinations were held twice a year, we would hold an examination for 30 stenographers and we would have 300 candidates. The line was drawn after the 30th candidate. Below that these people, many of whom had done very well, were not entitled to appointments; they were considered for temporary appointment only. These same people would come up again in six months. They had failed to get within the charmed circle, as we called it, within the given number, and I have known candidates to come up time and time again and they were always outside the number required.

By Mr. MacInnis:

Q. That would be because a great number applied?—A. As Mr. Chevrier has pointed out, if you are going to administer the merit system you are going to assign them in order of merit on the eligible list. If that eligible list is good for one year, the line is drawn at the end of the year and they have got to take the examination over again. They may be equally unsuccessful the next year, or they may be lower down on the list.

By the Chairman:

Q. I suppose there must be some arbitrary time at which an eligible list expires, even if it works a hardship?—A. We do not give an opportunity to the youth of the country to get into the service if we establish an eligible list which is good for five years.

By Mr. Bowman:

Q. That is why I asked that question as to the opinion of the Board?—A. I think the Commissioners think it should be one year and no longer.

Q. Under this list which I hold in my hand, where do stenographers classify? —A. That is a special memorandum with regard to the large groups in the service.

The CHAIRMAN: What we asked for was the lower grades.

Mr. BOWMAN: I did not ask for any; I asked for all grades.

The WITNESS: Mr. Bland will have the others with him when he comes on the stand.

By the Chairman:

Q. Now, I have something in my mind that I wanted to ask you about some time ago. You have in your Civil Service Commission, I understand, an Organization Branch and an Assignment Branch, and when a requisition comes in from a department for an employee to be approved by the Commission temporarily that request goes down to the Assignment Branch which has the available eligible lists and the Assignment Branch automatically assigns the first person on that list?—A. Yes.

Q. That is the ordinary routine?—A. Yes.

Q. Has the Assignment Branch any information as to the marks in respect of any particular subjects of examinations which the persons on that eligible list take in qualifying examinations?—A. The record of the marks obtained by candidates at a competitive examination is kept in the Clerical section of the Examination Branch, not in the Assignment Branch.

Q. So that the Assignment Branch, in the ordinary routine, would assign a person whose name was first on the list without knowledge of the marks which that person had obtained on any particular subjects in the general examination?—A. Yes, it is the duty of the Examination Branch to look into the subjects; not of the Assignment Branch.

Q. Don't let us get confused. I am only talking about the Assignment Branch. When a request comes in for a person to be appointed, am I correct when I say that the Assignment Branch, in the ordinary course of events, names the first person appearing on the eligible list, and at that time has not before it the marks which that particular person took in respect of any particular subject in the examination on which that person wrote?—A. Well, so far as I can recall—

Q. I mean, they have not the total marks?—A. No, they are kept in the Clerical Section of the Examination Branch.

Q. What occurs to me is this: Let me assume that a department requests from the Assignment Branch, through the Commission, the appointment of a clerk,—what is the lowest grade, 1?—A. One, yes.

Q. Of a clerk grade 1, and the purpose for which they want that clerk is ordinary routine correspondence, we will say. The Assignment Branch makes an assignment. The person who may have been highest on the eligible list may have had a very low mark in those subjects which would indicate ability in correspondence and yet very high marks in mathematics, we will say. That is the fact, is it not, that that would occur?—A. Yes.

Q. And likewise, a department might request a clerk grade 1, someone to do figuring, and the person who had stood very high in other subjects, but just got a pass in mathematics, might be assigned. Is there any way in which that situation could be avoided, because I am informed that is one of the reasons why there are so many rejections from the departments of persons assigned by the Assignment Branch of the Civil Service Commission?—A. Well, as a matter of fact, Mr. Chairman, there are not a great many rejections.

Considering the number of assignments we make, the percentage of rejections is infinitesimal, and there is nothing wrong with that. For example, if you want a statistical clerk or a book-keeper, we have an eligible list for these classes, but if you make the selection from the general examination there is no special rating, and that is the only way of dealing with a class of that kind, because we do not consider in grade 1, for instance, the special qualifications. If that were done you might have to go down the list and it might lead to the kind of thing that you must guard against.

Q. So often complained of?—A. Yes.

By Mr. MacInnis:

Q. The hypothetical case raised by the Chairman would apply in the first appointment just as well as in future appointments made from the Assignment Branch?—A. Yes. If I remember correctly that point came up in the Malcolm Committee and a suggestion was made that the Commissioners should have power to select anybody on the list possessing the special qualifications required for the position, regardless of the order of merit, but they saw danger ahead, they thought, in every case, where they wanted a clerk grade 1, they would ask for someone who was away down on the list who possessed those special qualifications, so it was finally decided that the most satisfactory method was selecting them in order of merit, and if they were found unsuitable reject them. But I want to emphasize the point that the rejections in this class are infinitesimal.

By Mr. Bowman:

Q. Mr. Vallance asked you a few questions a moment ago with respect to reclassification, and you said the last work done by the Commission was somewhere around 1919-20.—A. We have done a lot of work since that time.

Q. In the matter of reclassification?—A. Oh, yes.

Q. A general survey of the whole system?—A. I think a general survey to-day would be very useful, although a lot of qualifications and of duties could be modified now, in the light of what has happened in the last ten years, in the light of the experience we have gained in that time.

Q. Betterment of the service might be effected?—A. Oh, yes.

Q. And perhaps for reducing the service?—A. Oh, yes, all that could be accomplished.

Q. Could usefully be performed?—A. Yes.

Q. And you would say, as the secretary of the Commission, and being conversant with the work, that that would be a very valuable and important work to be done?—A. I do, sir.

By Mr. MacInnis:

Q. Office conditions and office equipment have changed considerably?—A. Oh, yes.

The CHAIRMAN: Any other question for Mr. Foran?

By Mr. Ernst:

Q. Mr. Foran, just one more topic I want to ask you something about. Everything from or to the Organization Branch and the Examination Branch comes eventually into your hands, before going into the hands of the Commissioners?—A. Yes.

Q. Passes through you?—A. Yes.

Q. And what is your particular duty in reference to it?—A. My particular duty is to look it over and, if I concur, initial it.

Q. And initial it?—A. Yes.

Q. And you certify every document that goes through your office?—A. Except the routine matter.

Q. I am talking now of appointments?—A. Theoretically everything goes to the Commissioners through the Secretary's Office, but all routine matters are sent along without my signature. Any important matters and all of the organization reports are signed by me. All matters emanating from the examination branch, unless there is some special feature in connection with the competition that requires the examiner to consult with me, are sent direct to the Commissioners. They come back to my office to be recorded in the minutes.

Q. It is sent direct to the Commissioners, but before it goes there I presume that Mr. Bland, the Chief Examiner, signs it?—A. Oh, yes.

Q. In other words, he has to peruse results of all competitions and sign them?—A. Exactly.

Q. So that, really, the two of you have to pass upon all work which ultimately goes up to the Commissioners?—A. Yes.

Q. And then there are three Commissioners who sit on it?—A. Yes, there are three Commissioners who sit on it.

Q. If two of you succeed in doing it, is there any reason why it takes three men to do it when it goes up higher?—A. Of course that is a matter—

Q. You have been there since 1908, Mr. Foran. I am asking you purely for your personal opinion.—A. I think that is a question that really the Commissioners should be asked to answer.

Mr. BOWMAN: I rather think it is putting Mr. Foran in an unfair position.

Mr. ERNST: All right, I won't pursue it further, Mr. Chairman.

The CHAIRMAN: Anything else, gentlemen? We can have Mr. Foran back again, by the way. I have some other information I want in connection with those examining boards, but I want to get some information myself from the returns already filed with the Clerk.

By Mr. Bowman:

Q. Mr. Foran, rightly or wrongly, I have got the impression that the great majority of the employees—the class employees shall I call them—of the government get the larger salaries that are available as against the smaller salaries, that is, a much greater number of the employees get large salaries than do the smaller of your class employees?—A. The majority of the higher class employees get larger salaries?

Q. Get the large salaries in the service?—A. You mean—

Q. Through promotions and so forth? —A. You mean that the service is top heavy?

Q. Yes.—A. Well, I cannot say that offhand.

Q. Would you kindly consider that?—A. Yes, I will be very glad to.

The CHAIRMAN: Anything else, gentlemen? All right, Mr. Foran.

Witness retired.

The CHAIRMAN: Shall we go on with Mr. Bland?

Mr. VALLANCE: It is half past five. We have sat for two hours now. We should be back in the House before six o'clock. I would like to suggest that if possible to-morrow we hear the representatives of the Canadian Postmasters' Association.

The CHAIRMAN: Gentlemen of the Committee, would you have any objection if we heard the representatives of the Postmasters' Association, who are here from western Canada, in the morning, so as to let them away, and then we could have Mr. Bland, the Chief Examiner.

Carried.

The CHAIRMAN: Then we will meet here to-morrow morning, gentlemen, at 11 o'clock and we will proceed first with the representatives of the Canadian Postmasters' Association and follow on with Mr. Bland.

The committee adjourned at 5.30 p.m. to resume on Friday, 18th March, at 11 a.m.

HOUSE OF COMMONS,

MARCH 18, 1932.

The Select Special Committee to inquire into appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 11 a.m.

Mr. Lawson presiding.

The CHAIRMAN: This morning, gentlemen, we are going to hear from the Canadian Postmasters' Association.

Mr. VALLANCE: Mr. Chairman, before we start, there is an item which appeared in last night's local press that I would like to draw to the attention of the Committee, having in mind especially the fact that we have had only two or three sittings:—

TREASURY BOARD HAS MORE POWER

APPOINTMENTS TO STAFFS MUST NOW BE SUBMITTED TO IT BEFORE GOING TO CIVIL SERVICE COMMISSION

A new order just issued provides that any government department desiring to add to its staff must first send the application to the Treasury Board and not to the Civil Service Commission as heretofore.

If the board approves, then the application is sent on to the commission; if not, it goes no further.

It is also provided that expenditures must now be approved by the Treasury Board before instead of after such expenditures are made by a department.

All I wish to say, Mr. Chairman, is that in view of the fact that this Committee is sitting here investigating under our very broad order of reference, this is something that I think, in all courtesy to the Committee, should have been presented for consideration to this Committee.

Mr. CHEVRIER: Yes.

The CHAIRMAN: I did not see the article, Mr. Vallance, nor had I any knowledge of the Order in Council in question; but it would seem to be obvious from what you suggested that apparently the government desires to control the expenditures and, therefore, before new positions are created by departments and before requisitions for new positions are asked from the Civil Service Commission, the government says: You must have our approval for the expenditure of the money.

Mr. CHEVRIER: That is arrogating to the Treasury Board a power which it has not got; should not have.

Mr. ERNST: Debate that in the House. If the Treasury Board cannot control expenditures, what does it control?

Mr. CHEVRIER: Let me make my statement. I will make any statement that I like to make, and I will take the full responsibility for it. There is the Civil Service Commission charged with the administration of the Civil Service Act. Under the law, the Civil Service Commission may decide whether a new

position is to be created or not upon demands being made by the departments; then it goes to the Treasury Board for recommendation. The Governor in Council approves or disapproves of such plan; but it should not be left—not at this stage of the law—to the Treasury Board to decide whether it is in the interest of the service that that position should be created or should not be created. If it is necessary that the position be created for the benefit of the service, then it goes to the Treasury Board, and if the Treasury Board says that they have not got the money with which to pay the salary then, of course, the position would not be created; but it is not up to the Treasury Board to say initially whether a position ought to be created or not. In this latter event, they are taking away from the Civil Service Commission the exact purpose for which it was created.

The CHAIRMAN: May I suggest that for the moment we may dispose of the matter, so far as this Committee is concerned, by suggesting that the matter be noted and given due consideration before this Committee makes its recommendation to the House. The Canadian Postmasters' Association—

Mr. BOWMAN: Just a moment, Mr. Chairman. I, personally, cannot see any discourtesy offered to this Committee in the action of the Treasury Board.

Mr. ERNST: Nor can I.

Mr. CHEVRIER: I do.

Mr. BOWMAN: I quite agree, Mr. Chairman, with your remarks that it is intended more as a measure of economy than anything else.

Mr. VALLANCE: Does it say so?

Mr. BOWMAN: It is quite clear.

Mr. VALLANCE: It is not obvious to me.

Mr. CHEVRIER: We cannot flaunt the law in a case like that.

Mr. ERNST: If the law is flaunted, we are not the people to deal with it.

The CHAIRMAN: The House is in session.

Mr. VALLANCE: All right. We will deal with it on the floor of the House on the Orders of the Day.

Mr. MACINNIS: As all the other members of the Committee have said something—

The CHAIRMAN: You are entitled to your comment on it.

Mr. MACINNIS: Not entitled, but it is desirable I should say something. I do not know the law in the matter, or whether there has been any violation of the law or violation of procedure, and before I say anything I would like, possibly, to make my ignorance known; I would like to have the Treasury Board defined.

The CHAIRMAN: The Treasury Board is a committee of the Cabinet charged with the responsibility for expenditures.

Mr. ERNST: And the collection of revenue.

Mr. MACINNIS: It seems to me that heretofore the heads of departments would make application to the Civil Service Commission when they felt they needed additional staff. All that has happened now is that the Treasury Board, I presume, by the consent of the Cabinet itself, has taken away from the heads of the departments the right to send applications to the Commission without having the approval of the Treasury Board. Now, personally, I cannot see any serious objection which can be raised to that. It is merely controlling the right of the departments to fill up their staffs to what extent they see fit.

Mr. VALLANCE: Yes; or excuse me, of allowing the government of the day to put in as many as they like.

The CHAIRMAN: Oh, no; there is no justification for that supposition.

Mr. VALLANCE: Appointments for staff must now be submitted to it before going to the Civil Service Commission.

The CHAIRMAN: Only to authorize expenditure.

Mr. MACINNIS: Has the Civil Service Commission—

Mr. VALLANCE: They have to approve. They used to make the recommendation and the government approved; now it is the other way around.

Mr. ERNST: No.

Mr. VALLANCE: Well, we will thrash it out somewhere else.

Mr. MACINNIS: I would like to continue. My opinion is that the powers of the Commission have not been lessened in any way. I may be wrong. I have not given a great deal of consideration to what has transpired.

The CHAIRMAN: Gentlemen, may we proceed with the taking of evidence. I believe Mr. K. A. Price, the President of the Canadian Postmasters' Association, would like to be heard first.

KENNETH A. PRICE, called and sworn.

By the Chairman:

Q. Mr. Price, we would like to have a picture of your organization. You are President of the Canadian Postmasters' Association?—A. Yes, sir.

Q. And you reside at Moosomin, Saskatchewan?—A. Yes.

Q. And might we inquire as to the membership of your organization? Is it made up entirely of postmasters in Canada?—A. Yes.

Q. And what is the number of members which you have in your Association, approximately?—A. I have not the figures with me.

Q. Could your secretary supply his president with that information?

The SECRETARY (Canadian Postmasters' Association): About seven thousand.

By the Chairman:

Q. And do they represent postmasters of all types of post offices?—A. Yes.

Q. Revenue and non-revenue?—A. All classes are members.

Q. Now, we will be glad to hear any representations you like to make to the Committee.

By Mr. Chevrier:

Q. May I be permitted to ask Mr. Price a question. You say all classes of postmasters. For instance, do postmasters like those in the city of Montreal, cities of Montreal, Toronto or Ottawa—do they belong to your Association of postmasters?—A. The majority of them in the city offices are practically honorary members. They do not have to discuss the same problems as we do.

Q. Does your Association deal with a particular class of postmasters rather than all postmasters?—A. We embrace all those except city post offices—the problems of all post offices except the city offices—an organization of revenue postmasters.

By the Chairman:

Q. Go ahead now, Mr. Price?—A. We have a small submission and we have put it in as short a form as we possibly can, a copy of which I am giving to each of you. If I may, I would like to read it, and as we go, if any questions arise, you can ask me for information as I go through it, or you could ask questions on any subject

Q. If you proceed and pause for a moment at the end of each paragraph, if anything arises out of the paragraph, we will ask you about it.

"The Canadian Postmasters' Association represents all:

(1) Classes of Postmasters paid from Revenue—approximately 12,000 in number.

(2) Our representations affect:
Dismissals;
Appointments.

(3) As regards dismissals, we may point out that the general causes for dismissal are threefold:
(*a*) Political partisanship.
(*b*) Mismanagement.
(*c*) Location.

(*a*) As regard political partisanship, we would suggest that for offices under $400 revenue any charge made by a Member of Parliament specify the details of the charge and the postmaster be given an opportunity to reply.

In all other cases under $400 that an investigation be ordered.

As regards offices over $400 we recommend that an enquiry be ordered in every case.

(*b*) As regards mismanagement and location we recommend that before dismissal takes place, an enquiry be made by a competent Post Office official.

(4) *Appointments.*—We desire to point out that our status has been ill-defined. Our position is anomalous and in an attempt to rectify it, we suggest that the larger revenue offices be graded and the postmaster be appointed to the regular Civil Service proper. We suggest that all offices over a $3,000 revenue be included and that the postmasters
(*a*) be eligible for promotion from one office to another under regulations to be formulated by the department and the Civil Service Commission.
(*b*) be brought under the benefits of the Superannuation Act."

By the Chairman:

Q. We had better take these clauses up one at a time. Clause 1. Are there any questions arising out of that paragraph?

By Mr. Vallance:

Q. When the secretary said there were 7,000 members, that is in your Association?—A. Yes.

Q. But there are 12,000 postmasters that you probably could say you are speaking for in taking their case up?—A. Yes.

Q. There are only 7,000 in your organization?—A. Yes, roughly that. There may be more or less.

By Mr. Ernst:

Q. That includes accounting and non-accounting offices?—A. Yes.

By Mr. MacInnis:

Q. Is there another association of revenue postmasters?—A. No. There are branches of the parent association in the provinces of Canada.

[Mr. K. A. Price.]

By the Chairman:

Q. What is the Dominion Postmasters' Association?—A. Representatives of the whole.

Q. Are they affiliated with your organization?—A. Absolutely.

By Mr. MacInnis:

Q. They are affiliated with your organization, but are you affiliated with them?—A. Yes. Representatives of each provincial association attend the Dominion—Canadian—

Mr. VALLANCE: I think what is puzzling some of the members of the Committee is the fact that there are three western men who happen to be at the time in executive offices.

The CHAIRMAN: No. What is puzzling me is this: Here we have representatives of the Canadian Postmasters' Association, and I am sure I have a letter here from the Dominion Postmaster Association asking to be heard. I am wondering what is the difference. Are they separate organizations?

The WITNESS: No. There is no difference. They are both the same, only that is our official name, as we are registered in the province of Ontario and have been for twenty-five years.

The CHAIRMAN: If you are both the same, how can the Dominion Postmasters' Association have a different set of officials?

By Mr. Ernst:

Q. That might be the Ontario branch, I assume, would it?—A. No. That is our title—Canadian Postmasters' Association. That is the original one. As I understand it, it was originally registered only in the province of Ontario. Of course, in the last twenty-five years, it has developed until it has got all over the Dominion, and branches have been formed from the parent association in each province; but when a Dominion convention is held representatives come from all over Canada, from coast to coast.

By the Chairman:

Q. And you, for example, would be elected to office at that Dominion convention?—A. Precisely.

Q. It is the Dominion convention of the Canadian Postmasters Association, is it not?—A. Yes.

Q. I still cannot get into my head where the Dominion Postmasters' Association fits into this. Is it a different organization?—A. No, there are not two organizations.

Mr. ERNST: What is your letter, Mr. Chairman?

The CHAIRMAN: I have not got it here.

The WITNESS: It is a technical difference in the name.

By Mr. Bowman:

Q. It is a part of the same organization is it?—A. The same organization.

Q. Is it the same organization of which you are president? This must be a branch of your association?—A. No, it is not. If a letter came from us—

The CHAIRMAN: No. It did not come from you; it is from the Dominion Postmasters Association.

Mr. VALLANCE: Instead of the Canadian Postmasters Association?

The CHAIRMAN: Yes.

Mr. VALLANCE: Because when you mentioned that the other day, I said there was also another organization.

The WITNESS: The postal workers, is it?

The CHAIRMAN: No. I have not got the original letter now before me; but, as each request comes in, I have been making a list of associations and individuals, and the second one on my list is a letter from the Dominion Postmasters Association. My recollection is that the letter came to me from the Secretary who resides in Toronto.

By Mr. Ernst:

Q. Did I understand you to say, Mr. Price, that your organization, in the province of Ontario, is known as the Dominion Postmasters Association?—A. No. I understand that it was originally registered, incorporated, or whatever you call it, in Toronto, twenty-five years ago, and the original name—

By Mr. MacInnis:

Q. The Canadian Postmasters Association?—A. Yes.

The CHAIRMAN: We can get the information from the Dominion Association when they come here.

By Mr. Chevrier:

Q. Are you affiliated with the Civil Service Federation?—A. No. We are not affiliated with them.

By Mr. Ernst:

Q. In fact, you are not civil servants in the full sense of the word?—A. No. That will develop.

Mr. CHEVRIER: That shows the difference. I know what you mean.

By the Chairman:

Q. Are there any other questions under clause 1 of this memoranda? Are there any questions on clause 2? Now, we come to clause 3: "As regards dismissals, we may point out that the general causes for dismissal are three-fold: (*a*) political partisanship, (*b*) mismanagement, (*c*) location; (*a*) As regards political partisanship, we would suggest that for offices under $400 revenue any charge made by a member of parliament specify the details of the charge and the postmaster be given an opportunity to reply." Is there anything you wish to say in extension of that memoranda?—A. No, sir; except, representing the majority of our postmasters we desire—I may say, first, that these submissions are not just put together for the purpose of presentation to this Committee; they have been worked on by our Association at all their meetings for a period of some three years. But now is our opportunity to embody them in these clauses, they are not very large. You will see there are just two things, and we have a large territory to cover and a lot of cases. But all that is embodied in there is what we want to cure, what we consider to be the disabilities under which we suffer.

By Mr. MacInnis:

Q. Never having had any experience with making charges of political partisanship, would you tell me what is the procedure there?—A. What it is at present?

Q. Yes. How are the charges made?

Mr. ERNST: It is a stock letter to the effect that to the personal knowledge of a member of Parliament, so and so has been guilty of political partisanship.

By Mr. MacInnis:

Q. How is political partisanship defined?—A. That is for you to decide.

Q. How is it defined at the present time? How much or how little would be necessary for you to-day to qualify as being guilty of political partisanship under the statute?—A. Well, to put it broadly, our Association does not propose to protect any man who knowingly takes part in a partisan spirit in any election. It is not our business. We have instructed them to keep clear of it, and if they do it knowingly they do it at their own responsibility.

Q. But I presume you would not go as far as to say that a postmaster should not discuss, say, privately with an individual, the merits of the respective candidates, or respective parties?—A. No.

Q. You think that he should not get in the habit of active political partisanship?—A. If, in any way, it can be better defined than it is at the present time, it would be very suitable to us. We would like it to be more properly defined than it is at the present time.

Mr. CHEVRIER: Have you any suggestions to make as to how it should be defined; what active political partisanship under the Act should mean, because it is defined under the Civil Service Act.

The CHAIRMAN: I have sent for the Inquiries Act.

Mr. CHEVRIER: If you can suggest a better definition I will be quite willing to consider it.

By Mr. Vallance:

Q. As president of your Association, have you had many complaints from postmasters who merely perform their function as a postmaster and voted as ordinary citizens would, either Grit, Tory or Labour—whatever way they wanted to vote—provided they confined themselves to that and did not use their offices in the furtherance of any one political group? Have you ever had very much trouble with dismissals? I have had a postmaster in an election come out in the street and defy me, a candidate. I was not a member then but I had been a member in a previous House. I asked him who he was. He said, "I am the postmaster." I said, "you are? you had better hit that little place where you are postmaster, because you are not going to have very much to do with it much longer." And he did not keep it very much longer. I am frank to admit it.—A. Of course, we have cases both ways; but we are not here to fight specific cases; it is not our prerogative to decide that.

Q. Has it been abused?

Mr. MACINNIS: If it had not it would not be in here.

Mr. BOWMAN: That does not necessarily follow.

The CHAIRMAN: Oh, no.

The WITNESS: If we can get any method by which when a man is in his office—starts in his office so that he can get some idea of fixity of tenure it will induce him to do everything in his power for the good of the service but if the principle is, "I am here and they can put me out as easily as that"—

By the Chairman:

Q. Mr. Price, as a matter of practice, have not the postmasters, revenue postmasters, for all practical purposes secure tenure of office so long as they do not mix up in politics?—A. I am doubtful. I would not say so.

Mr. CHEVRIER: In what respect are they not?

By the Chairman:

Q. In what respect are they not? We want to get at the facts?—A. Well, we have not figures, but you can get cases in the Post Office department, possibly, which would give you some idea of how many of those cases there are.

Q. Right; but let us stop a moment. A postmaster can be dismissed only for alleged partisanship by a member signing a document which is evidence against that member for all time and for which that member is answerable on the floor of the House?—A. Yes.

Q. What more protection do you suggest should be given? We must have some method of dealing with postmasters who go out on the streets and upbraid a candidate.

Mr. VALLANCE: Any citizen.

Mr. ERNST: In North Battleford

Mr. VALLANCE: South Battleford.

The WITNESS: Are you questioning me on that subject, just on clause (*a*) political partisanship alone, or do you take in what is said in clause (*b*) and (*c*)?

The CHAIRMAN: We will take it any way you like, but let us stick with political partisanship.

Mr. CHEVRIER: Let us get from Mr. Price what his objection is to this term partisanship. As I understand it, a postmaster is quite at liberty to express his own views. I believe that a postmaster also has the right to say whether he is a Grit or a Tory—any civil servant has the right to say that. An act of political partisanship is defined under the Act. If you express your views properly and exercise your right of voting, that is all right. I have no objection to that. Nobody could take objection to that. Nobody should hold it up to him. But if he becomes aggressive, if he falls within the definition of political partisanship, that is different. What have you got to complain about? Now, it may be that you would like to see that definition of political partisanship changed, made smaller or bigger. Now, will you tell me that and give me your idea?—A. That is the idea; it is not definite enough.

Q. We are sending for the statute, because it is definite in the statute. It says what political partisanship means.

By Mr. MacInnis:

Q. Let me put it this way. I am taking it that this is your list of grievances, if I may call them that, that your Association feels that there has been in the past dismissals of postmasters where their political activities would not warrant it. That is under the active political partisanship definition; is that your point? —A. Yes.

By Mr. Vallance:

Q. You believe, then, that when a government changes from one group to another there is an onslaught on postmasters; is that what you believe?—A. There may be.

Q. Yes. I know there may be.

By the Chairman:

Q. Oh, but Mr. Price, when a member of Parliament who is answerable to the people, has put his signature to a document charging political patronage and supporting it by his statement which he is called upon to answer for in the House of Commons, it seems to me that that goes very far in giving protection to the postmasters?—A. We acknowledge that.

Mr. CHEVRIER: Then there is an investigation under the statute where you have an opportunity to come up and give evidence, and it has been done time and time again since 1930.

The CHAIRMAN: I do not want to be taken as agreeing with Mr. Chevrier's statement that civil servants should be allowed to go out and express political views.

Mr. CHEVRIER: I have no objection to that.

The CHAIRMAN: Actually, if you extend that privilege to the letter carriers and if you will give me the letter carriers and the postmasters and the barbers in my riding, all defending my cause, I shall never be defeated.

Mr. VALLANCE: Give me a Relief Commission and I will defeat you.

Mr. CHEVRIER: I spoke of a different kind of liberty. Provided they do not fall under the political partisanship definition they can do it to their heart's content.

The CHAIRMAN: I think a civil servant should be at liberty to vote as he pleases, but he ought not to talk on political questions.

Mr. MACINNIS: I think I largely agree with Mr. Chevrier's view. I do not know that I would draw the line anywhere.

By Mr. Ernst:

Q. Now, as I understand the procedure, in the case of a non-accounting office a dismissal takes place without an investigation, if the charge is made to the personal knowledge of the sitting member or the defeated candidate, as the case may be?—A. As far as we are concerned, there is no difference between an accounting and non-accounting office, except the size of the office—an accounting or revenue office.

Q. There is this difference—where you come to an accounting office the selection of the successor falls to the Civil Service Commission; is that right? —A. With regard to appointments?

Q. Yes, where the revenue is over $400?—A. Yes. If over $400; but you might get an accounting office under $400.

Q. I want to make this clear that if the amount of the accounting office is over $400 no one can be dismissed without an investigation at which they can be heard whether the charge is made by the member or someone else; is that correct?—A. I think so.

Q. But under $400 they can be dismissed on the personal charge of the member?—A. Yes.

Q. If anybody else makes the charge of partisanship it has to be made by affidavit, and the postmaster gets an opportunity to reply. There is an investigation; is that not correct?—A. Yes.

Q. What you are dealing with is primarily where the member himself makes the charge?—A. Yes.

Mr. MACINNIS: In your memorandum regarding political partisanship you say:

> We would suggest that for offices under $400 revenue any charge made by a member of Parliament specify the details of the charge and the postmaster be given an opportunity to reply.

Is not that the case now?

The CHAIRMAN: No. Only over $400.

Mr. MACINNIS: Only those over $400?

Mr. ERNST: Over $400? There is an investigator who sits as a court.

Mr. MACINNIS: The postmaster is given an opportunity to reply to the charges?

The WITNESS: Not under $400.

By Mr. Chevrier:

Q. Do you know of a number of such cases? Do you know the number of dismissals that have occurred since the 28th of August 1928?—A. No. I am afraid we have not any documents of that kind.

The CHAIRMAN: We know about them before that.

By Mr. Vallance:

Q. For instance you mean that what you would like is that those postmasters in the group that are liable to be fired by the member of Parliament because they are under $400 revenue—would like them to have the opportunity of appearing the same as the other fellow has?—A. Yes.

The CHAIRMAN: Clause (*b*) reads:—

> As regards mismanagement and location we recommend that before dismissal takes place, an enquiry be made by a competent post office official.

Now, is there anything you wish to say in enlargement upon that?—A. No. We are perfectly satisfied to leave it to the department to determine whether it is a valid reason for putting a man out of his office or not.

Mr. BOWMAN: As a matter of fact, that is done now.

Mr. MACINNIS: What is the procedure now with regard to mismanagement or alleged mismanagement?

Mr. ERNST: The departmental official investigates and reports to his superior officer. Is not that the practice?

By Mr. Bowman:

Q. Is that the practice?—A. I do not think it occured in all cases. I think there have been lots of cases—not lots of cases—there have been occasions when it has been a question of removing a postmaster for improper location, and it has been opened up on the opposite side of the street. Now, if that was investigated by post office officials, we are perfectly satisfied to abide by his judgment, but at the present time it is not always done.

By the Chairman:

Q. Do you think that has been done without there being any recommendation therefor from an official of the Post Office department?—A. Yes.

Mr. ERNST: I do not think you can find an instance. The official may have acted in an improper manner in making the recommendation, but I think you will find that the recommendation is there.

Mr. BOWMAN: If not, I would like to know some cases where that has been done without the approval of the Post Office department.

The CHAIRMAN: Would you like me to ask the Post Office department on behalf of the Committee to let you have a list of those cases, and if so, for what period of time?

Mr. ERNST: I think that would be a colossal task.

Mr. BOWMAN: Surely Mr. Price and his Association have some grounds for making this statement, and can give us the information now. I would like to know whether any post offices are being moved unless there is some authority from the Post Office department. I know of none at the present time. Can you tell me of any, Mr. Price?

The WITNESS: Personally, from my own knowledge, I cannot. You might get some information from the Secretary. We have not come prepared with concrete cases. This is a general thing, and these are our suggestions for the improvement of the service.

Mr. ERNST: If it is being done, I agree that it should not be done.

The WITNESS: That is it—that we should protect all these men.

By Mr. Vallance:

Q. This memorandum of yours is prepared from the discussions that took place at your annual convention, is it not?—A. Yes.

Q. And this matter we are discussing right now is discussed very frequently, if not at your convention?—A. Yes. That is so.

Q. I cannot give you any specific cases now, but I know it has been done. Probably your Secretary will be able to give us some details on that.

The CHAIRMAN: You see, Mr. Price, it is pretty difficult for this Committee to swallow some mere recommendation holus bolus without something to back it up. Supposing we go into the House as a Committee and report in favour of this change. You have to be able to tell us why. In other words, we have to prove our case. That is why we are trying to get at some illustrations or incidents which would back up our judgment in the matter. Now, is that all there is on that phase of it, gentlemen? Clause 4 deals with appointments:—

> We desire to point out that our status has been ill defined. Our position is anomalous and in an attempt to rectify it, we suggest that the larger revenue offices be graded and the postmaster be appointed to the regular Civil Service proper. We suggest that all offices over a $3,000 revenue be included. . .

I presume you mean by that included under the Civil Service Act?—A. Yes.

The CHAIRMAN:

> . . . and that the postmasters be eligible for promotion from one office to another under regulations to be formulated by the department and the Civil Service Commission. (*b*) Be brought under the benefits of the Superannuation Act.

I think we had better take up the first part of this first, with regard to the question of status being defined and offices over $3,000 being brought under the Civil Service Commission. Now, are there any questions on that phase of it?

By Mr. Ernst:

Q. What you are aiming at is that the assistants in the office as well as the postmasters should be civil servants?—A. Not necessarily. You see, to qualify that, our status has never been defined. The revenue postmasters under certain conditions, and under certain circumstances, come under the Civil Service Act. In fact, to put it in a straight way, when it is a question of benefits, we do not come under the Civil Service but, when it is a question of disabilities, we do. That is a broad way of putting it; and we want our status absolutely defined. The whole reason for our being here is for the good of the service. We want to be enabled to put in some system—we have got a system worked out to a certain extent—for the last three years of promotion, but there are certain clauses in the Civil Service Act which prevent us from putting in any such system like that, and we have come to the conclusion that now is the opportunity, when this Act may be changed, that we might have these things changed in your judgment which would enable us to put in the right requirement which we want. It is only justice that a worker in a post office should have the ordinary justice granted to civil servants of having an opportunity for promotion, and at the present moment he has not any.

Mr. BOWMAN: Because you are not under the Act.

By Mr. Ernst:

Q. For instance, if the office of district superintendent or some junior office to that in a postal district became vacant you cannot be promoted to that, nor do you come under the Superannuation Act?—A. No.

Q. You do not make payments to it, and when you are retired as postmasters, say, you have served your full term, you get no benefits?—A. That, in particular, is the great hardship to a great many people in the postal service.

Q. Do you go so far as to want your assistants in these revenue offices also made civil servants where the revenue exceeds $3,000?—A. That would be for the department to decide.

Q. That would mean, would it not, in the first place, a considerably increased payment in money to the assistants, if they were created Civil Servants? —A. I don't know, but under this scheme they might not work it that way; they might be able to give a certain straight salary to the men as the postmaster does at present, paying his own assistants.

Q. For instance, in your revenue offices, you pay the assistants what they are worth?—A. Yes, but in some cases we are bound—in Alberta, where—

The CHAIRMAN: I do not want to switch you off your trend of thought. What I am concerned with at the moment arises out of this point regarding service to the public. Is not the public getting pretty good service at the present time from the Post Office Department including those non-revenue offices? Instead of saying the department let me put it the Post Offices of Canada?

The WITNESS: Yes. We consider so.

By the Chairman:

Q. Does your organization have complaints when the public are complaining that they are not getting good postal service?—A. Well, we always get them.

Q. I beg your pardon?—A. We always get that.

Q. Do you get much of that sort of thing?—A. No, not a great deal.

By Mr. Chevrier:

Q. When you get it do you report to anybody to improve conditions?—A. That has been the main objective of our association all the time.

Q. Do you actually report to anybody when you get complaints?—A. Complaints seldom or ever come to us; they generally come from outside to the district superintendent.

Q. Do they come to you, the complaints?—A. Eventually.

Q. What do you do with the complaints?—A. Oh, we have to deal with them.

By Mr. Ernst:

Q. They do not come to you in your capacity of president of the Canadian Postmasters' Association?—A. Oh, no.

Q. People may write to the postmaster, the general district superintendent complaining that your office is not properly run?—A. Yes.

Q. And the district superintendent communicates with you to ascertain if that is true or if it is not?—A. Yes.

By the Chairman:

Q. Under clause (*a*) your suggestion is that postmasters be eligible for promotion from one office to another under regulations to be promulgated by the department and the Civil Service Commission. Do I understand this, for example, that at the present time we have a post office in the city of Toronto and a postmaster, and we also have a post office and a postmaster in the town of Weston, a town six miles from the city limits. Does your suggestion mean that your association recommend that when there is a vacancy in the office in the city of Toronto that the postmaster at the town of Weston should be eligible for promotion to the post office in the city of Toronto?—A. No. Toronto is not a revenue office. It does not come under this clause at all.

Q. Oh, only revenue offices?—A. Yes.

Mr. BOWMAN: It would be the same if they were both revenue offices.

By the Chairman:

Q. Let me take two towns in which there are revenue offices. We will say they are situated five, ten or fifteen miles apart and one town is larger than the other. Does your suggestion mean that if there is a vacancy in the office of postmaster in the larger town that the postmaster of the smaller town should be eligible for promotion to that vacancy in the larger town?—A. Exactly.

Q. I am afraid the poor postmaster who got the promotion might be a very unpopular citizen.

By Mr. Vallance:

Q. You made a rather singular statement a moment ago. Now, take in the case of an office like your own where you hire your assistants, where you are compelled by the Alberta Act to pay them a certain salary?—A. Yes.

Q. A minimum wage?—A. Yes.

Q. Now, let me ask you this question: You, now, as postmaster, take a ten per cent deduction this year, don't you?—A. We understand so.

Q. And you do not—you cannot pass on the ten per cent deduction to those you are hiring?—A. No.

Mr. Bowman: That is in the province of Alberta. It is not applicable to the province of Manitoba.

The Chairman: It is not applicable to the province of Ontario.

Mr. MacInnis: There are provinces which are backward.

The Chairman: They are just so backward that they are not affected, in spite of the fact that there is a minimum wage law, because our postmasters are paying more than the minimum wage there.

Mr. MacInnis: That is not sworn evidence.

By Mr. MacInnis:

Q. How is that remuneration for revenue postmasters fixed?—A. On the sale of stamps alone. If you sell no stamps you get no salary.

Q. Does that include post office orders?—A. The commissions on money orders are put into your stamp sales and worked out in that proportion.

By Mr. Chevrier:

Q. Your commission on the sale of stamps is what?—A. It varies according to the amount of your revenue.

Q. Give me an example, for instance?—A. $70 up to the first thousand.

Q. Seventy dollars on the first thousand? Please tell me—I do not want to go into details—tell me what your revenue is?—A. Seventy per cent. on the first thousand.

By the Chairman:

Q. That is, the postmaster gets 70 per cent. of the first thousand?—A. Yes.

Q. Arising from business done in the post office such as the sale of stamps, money orders, anything that brings in revenue to the government?—A. Yes.

Mr. Vallance: You only get a commission out of the sale of the money orders. You do not get 70 per cent. on the sale of money orders.

The Chairman: No, no; 70 per cent. of the commission charged; 70 per cent. of the revenue which the government obtains from the operation of the post office.

Mr. Vallance: I ran a post office once and I know a little about it.

By Mr. Vallance:

Q. Do you get 70 per cent of the commission on your money orders?—A. Yes; on the first thousand.

By Mr. Ernst:

Q. It is just on the first thousand, and the percentage decreases?—A. Yes. If it is over $10,000 you would only get 20 per cent.

Q. Yes. It is graded downwards?—A. Yes.

By Mr. MacInnis:

Q. If your revenue in your office has decreased, say, by half this year, then, of course, your remuneration is relatively decreased as well?—A. Yes.

Q. And despite that, as far as you know, you have to take a ten per cent cut?—A. Yes.

Q. And you would not necessarily get an increase if there was an increase in salaries unless there was an increase in your revenue?

By Mr. Ernst:

Q. You would mend that situation by reducing your staff. If you do not get the revenue you would not be doing the work. If you are not getting the revenue the office is not as busy as previously, and you do not get the business in many cases?—A. In many cases.

By Mr. MacInnis:

Q. There would have to be a considerable decrease in business before you could decrease your staff?—A. I would like to qualify that. There are cases where the office is just too big for one man to handle himself and he has to take in an assistant. He has a reduction in salary, and the cut that he might get, but his hours are not changed, because he may have to work twenty-four hours, or, at any rate, be at the office at certain hours by reason of night work, and he cannot do that all himself. He still has to keep on his assistant and, in fact, there are cases where the assistant is drawing more salary than the postmaster, which is unavoidable.

By the Chairman:

Q. Like any other business, there is a point at which there is a maximum expenditure for the minimum of revenue. Correspondingly, you might reach a point where there is a maximum of revenue for a minimum of expenditure.

By Mr. Bowman:

Q. Could you bring your office into the other class?—A. No. Not mine; it is not large enough. Directly they get into that, they come under other regulations. They get the mail delivery, house to house delivery.

Q. That does not necessarily follow, does it?—A. I think so.

By the Chairman:

Q. And that is governed largely by population—delivery?—A. Yes. And making it into a "B" office is population too.

Mr. VALLANCE: Take the case of Yorkton and Battleford. At the time that they got into class "B" they took over the delivery also. It may only so have happened, but it did happen.

The CHAIRMAN: Gentlemen, does anything else arise out of this?

By Mr. Bowman:

Q. You were giving an incident a little while ago about your own office. As a matter of fact, there are plenty of offices within your Association that are very jealous of the fact that they are in this revenue class and they do not want to get into class "B." It is a paying proposition to the postmaster. There are many cases of that kind, are there not?—A. Not many. There are some.

Q. And if that is the case in my own home town with a population of 4,500 —it is a revenue office—it could very well be brought under the operation of the Civil Service, but I do not think the postmaster would welcome it?—A. I will go further than that and say that I doubt whether it would be for the economy of the service.

By Mr. Ernst:

Q. I know of a case which was changed from a revenue office to a class "B" office where the postmaster gets positively less?—A. He gets less?

Q. His help costs more and the net result is the same.

By Mr. Bowman:

Q. As a matter of fact, in a lot of these revenue post offices a man employs members of his own family and pays them as his assistants. That adds to the revenue of the family; is that not a fact?—A. Yes. When they all have to work. I do it myself to save expense.

Q. You are asking for this privilege of transfer. In clause (*a*) of section 4, "Be eligible for promotion from one office to another." That does not exist at the present time in class "B" post offices, does it?—A. No.

Q. Then you are asking for the same rights they have under class "B" offices that are under the Civil Service?—A. When they come under the Civil Service, I think they could be transferred.

By Mr. Vallance:

Q. I do not know whether you can answer this question or not. Do all postmasters operating class "B" post offices receive the same salary, irrespective of business done?—A. Yes.

Q. There would be no incentive for them to move unless it was because of the location. In your instance it is entirely different, and that is the reason you are asking—

By Mr. Bowman:

Q. How long has your Association been in existence?—A. Twenty-eight years.

Q. The average membership has been running to what?—A. I could not give you those figures.

By Mr. Vallance:

Q. Fifty per cent. of the total?—A. Yes. It has increased enormously of late years.

By Mr. Bowman:

Q. Have you considered the question of superannuation?—A. We have it under advisement at the present moment and have been at it for two years.

The CHAIRMAN: For the information of the Committee, the question was raised a few minutes ago about the procedure for dismissal of postmasters, etc. It would appear that the matter is governed by two orders in council passed in pursuance of Part II of the Inquiries Act, which is Chapter 9 of the Statutes of Canada, and Section 55 of the Civil Service Act, and by order in council 1467,

passed on the 22nd of July, 1921, and P.C. 2125, which amends 1467, passed on the 16th October, 1923. I have not got copies of those orders in council at the moment, I will have some of them for you later. Apparently there is no change in 1930. Is there anything else the members desire from Mr. Price? If not, we will hear from the secretary.

CHARLES GRIFFITH, called and sworn.

By the Chairman:

Q. Mr. Griffith, you have heard the evidence given by the president of your organization, Mr. Price?—A. Yes.

Q. I presume you are familiar with the memos. Mr. Price submitted?—A. Yes.

Q. Is there anything you would like to add for the information of the Committee, or any other subject matter you would like to bring before us?—A. All of the points have been raised, Mr. Chairman, unless there are any questions you would care to ask me.

The CHAIRMAN: All right; are there any questions the gentlemen of the Committee would like to submit to Mr. Griffith? Apparently not, Mr. Griffith.

By Mr. Ernst:

Q. One question with reference to promotions. Is it your view that if a change were made and over three thousand are placed in the category in which you want them, that the post office staff of those offices should be civil servants too?—A. No.

Q. Just the postmasters?—A. Just the postmasters, for a post office assistant does not make a permanent profession of the post office for a livelihood.

Q. I only want to ascertain if it was your view that if there was a vacancy in the post office your assistant would be eligible for promotion?—A. No.

By Mr. Bowman:

Q. What would you say about the appointments to the staff of that post office?—A. They could still be left in the hands of the postmaster. Those to-day in the B class are left in the hands of the postmaster.

By Mr. MacInnis:

Q. Under the heading of "dismissal for political partisanship," Mr. Price said there were dismissals where the activities of the postmaster, in your opinion, did not warrant dismissal; have you any specific cases that you could give the Committee so that an investigation might be made?—A. No, we have not brought up specific cases to this Committee, but we feel that in every election that there is a tremendous change in the postmasters, and of course a lot of them think they have been given a dirty deal.

By the Chairman:

Q. Did you ever take occasion to investigate any of those cases, you yourself, or your organization?—A. We have had cases where we have protested, but the man is dismissed; you cannot do anything; the man has no defence or come-back, you see; he is out.

Q. Under $400?—A. Under $400. We think that man should have a chance to defend himself. We warn the men to keep out of politics. If a man has acted wrongly, we do not try to protect him, but we want to make sure that he has some form of protection. At present he has none at all.

Q. Unless he gets the matter brought up in the House by some member?—A. By that time the man is out of office, and cannot get back again.

By Mr. Vallance:

Q. Those dismissals are with those offices under $400?—A. The greatest number of them.

Q. How long have you been a postmaster?—A. Thirteen years.

Q. So that you must have come through two or three elections?—A. Yes.

Q. You have been through about four elections?—A. Yes.

Q. At any time did you feel that your position was in jeopardy? Were you ever threatened yourself?—A. From a personal point of view it would not worry me at all, that end of it.

Q. You have never been threatened?—A. No.

Q. So that we will assume that you lived up to your agreement, and while you did that you would not be pursued in any partisan manner after an election? —A. No.

Q. So that you have been absolutely secure, speaking as secretary of the Postmasters' Association; would you say that if they carried on as you did the same measure of security would be given? Would you say that?—A. Not to those under $400.

Q. I mean your own type. Possibly the reason you were not molested at all was that you had a very good type of representative who did not bother with those things?—A. In my own case?

Q. Yes?—A. No; I had a good representative.

By Mr. MacInnis:

Q. I think the point you made there is quite a legitimate one; it might arise in two ways, first of all, that the member or the defeated member was intensely partisan, or the postmaster might be; is that not quite possible?—A. You mean, that would protect the postmaster?

Q. You know it would not protect, but the postmaster would not be in such a difficult position in regard to a certain man as he might be in regard to another?—A. Certainly.

Q. So that there is nothing much in the position that Mr. Vallance has taken, that the reason that you were not molested is that you were more careful in not showing any partisanship?—A. If a postmaster in a large office minds his own business, under the present understanding he should not be dismissed unless the case was investigated before commissioners. But what could be considered as partisanship absolutely is a vague point, because anybody could draw a postmaster into an argument of some kind politically, which might be used against him. Unless the postmaster was deaf and dumb he must have some opinions on every subject.

Q. That would be wholly in the discretion of the member or defeated candidate?

The CHAIRMAN: No.

Mr. MACINNIS: He said his office is under $400.

The WITNESS: Under $400, if it is on the member's word he has no investigation and no defence.

The CHAIRMAN: It is not on the member's word only; if in the House of Commons they take the responsibility of making an allegation of political partisanship, over their own signatures, then the postmaster under $400 may be dismissed without investigation.

The WITNESS: That is a fair way of putting it; but we feel it would be a fairer way if the actual fact was stated and the postmaster had a chance to deny it. It is likely, in ninety cases out of a hundred, that a man might be guilty and not want to deny it, but we want to give him that opportunity. That is the position of our association. That is what we want to place before you.

By Mr. Bowman:

Q. As a matter of fact it is only one in a great many cases where there is ever any injustice done, is that not a fact?—A. Well, in that one case that man should have that protection.

The CHAIRMAN: My recollection is that we had a case in Parliament prior to the last election in which a postmaster in the province of Quebec had been dismissed because he held a party on his lawn which was very close to a political meeting being held by one of the members of the House.

Mr. BOWMAN: I would say that is a rare instance.

Mr. VALLANCE: No, there is one in Saskatchewan, where a postmaster was lying in the hospital and somebody used his car to drive somebody to the polls and he lost his office.

Mr. BOWMAN: Mr. Vallance, are you in favour of this being changed?

Mr. VALLANCE: What being changed?

Mr. BOWMAN: That every man should be investigated.

Mr. VALLANCE: I think all charges should be investigated.

By Mr. Chevrier:

Q. In the last eighteen months has your association received any complaints about a $400 postmaster being dismissed in that way?—A. Yes; we have not investigated them. The man is dismissed; we have to tell him we are powerless.

Q. Have you a record of the number of complaints?—A. No.

Q. You cannot say whether it has been frequent in the last eighteen months or not?—A. I could not figure in the last eighteen months. After every election there seems to be a wholesale slaughter.

Q. If it is only one or two cases where it happened, then I think it is not worth while investigationg; the number of cases, however, does not change the value of the principle?—A. There are very few of them under $400 in our organization; that is the reason why the great majority that are dismissed for political reasons do not get it.

By the Chairman:

Q. Political partisanship, is it?—A. There are practically seven thousand officers under $400 in Canada. A large number of those do not belong to our association.

By Mr. Bowman:

Q. How many have you of the seven thousand?—A. I could not give you that figure, because I have never figured it up in that way. We take the total membership. The postmaster, to us, is a postmaster, whether he is in a village or in the City of Ottawa.

Q. But the question of investigation is quite important to a man who draws $400?—A. But we have never figured them out by number. I could not give you the figure of how our membership is proportioned.

The CHAIRMAN: Are there any other representatives of this organization who desire to be heard? If not, our plans were to hear Mr. Bland next.

CHARLES H. BLAND, called and sworn.

By the Chairman:

Q. Mr. Bland, you are assistant secretary and chief examiner of the Civil Service Commission of Canada?—A. Yes.

Q. How long have you held either one or both of those positions?—A. I have been with the Commission since 1909.

Q. In what capacity?—A. The titles have changed, but the work has remained somewhat constant.

Q. You have been doing practically the same work?—A. Yes.

Q. Would it be satisfactory to the Committee if I proceeded to get a few formal matters from Mr. Bland? (Agreed.) Mr. Bland, have you available a sample examination paper which is set as a working examination for minor positions such as customs excise clerk, customs excise enforcement officer, customs excise examiner, immigration inspector? You supplied us with a list yesterday, you remember?—A. Yes; in addition I brought, at your request, some samples of examination papers, one, I think, for the position of customs excise examiner, as a typical case of that kind. I am sorry I was not able to prepare sufficient copies for the entire Committee, but I prepared one for the Committee as a whole.

Q. You will just file that with the Clerk as a typical examination paper set for customs excise examiner; have you any others there touching customs excise clerk and customs enforcement officer?—A. Perhaps I might mention the ones I brought. The customs classes all fall in the same category. I brought also a typical examination for hospital orderly, which is a junior position.

Q. I understand there is no written examination in that?—A. No. I also brought copies of the oral examination and the various documents that are required; also for caretaker, in which, again, there is no written examination; for stenographer, in which there is only a written examination and no oral or rating of education and experience; also for junior trade commissioner.

Q. Is that on the list?—A. Yes, it includes the three factors of a written examination, a rating of education and experience, and an oral examination; inspector of weights and measures, and rural postmaster.

Q. Is the postmaster a written examination?—A. No, not the rural postmasters.

Q. Is there a rating for education and experience?—A. The rating is a joint one of education, experience and personal qualifications.

Q. And an oral examination?—A. That is the oral examination—the whole three factors combined in the oral examination. May I say that if the members of the Committee would like to have individual samples of those I can have them prepared.

The CHAIRMAN: Are there any other examination papers that members of the Committee would like for any lower class? If any member of the Committee would desire those to be filed, would they so indicate to the Clerk, and he will arrange with Mr. Bland to have them available?

By Mr. MacInnis:

Q. Have you filed one for letter-carrier?—A. No; I will have that.

By Mr. Vallance:

Q. Immigration inspector?—A. No; I will have it, too.

The CHAIRMAN: Are there any others that any of the Committee have in mind? All right, gentlemen; any questions to Mr. Bland?

By Mr. Ernst:

Q. Those examination papers are forwarded by the officer who takes the examination to whom?—A. Are you speaking of the written papers?

Q. Yes.—A. Perhaps I might start right at the beginning, and indicate how they are prepared, how they are used at the examination and how they are returned. The examiner who prepares the written questions does so under oath and with due precautions for secrecy, and submits those papers direct to the official printer of the Commission.

Q. Are they printed by your printer?—A. Yes, they are guarded by the official printer, and seen only by him and the examiner and myself, and despatched by him in sealed envelopes to the examination supervisor.

Q. The examination supervisor, in the case of written examinations, is an official of your department?—A. A part-time official. He is usually the principal of the local collegiate institute, or the registrar of the local university, and he sees that the examination is conducted fairly, in accordance with the regulations.

Q. The only person who knows about them is the person who prepares them and the printer and the local examiner or professor?—A. And myself.

Q. They are despatched by you, are they?—A. They are despatched by the printer. I may add that they are kept in custody in his office. That is, when I see them I see them in his office. Then when the papers are received by the local supervisor, and the examination is held, the answer papers written by the candidates are again enclosed by him in sealed envelopes.

Q. The candidates write under numbers, not under names?—A. Exactly. The papers are then returned bearing only numbers, in sealed envelopes and locked trunks, and the envelopes, when the seals have been broken, are handed to the examiner who is designated to examine and rate the answers, so he has not any names, but has only the papers bearing individual numbers.

Q. You have different examiners to different types of work?—A. Right; for example, for an examination involving a bookkeeper we would have a man who had a knowledge of that particular subject. The same on other points. When the examiner has rated his papers he tabulates them under the numbers, and the marks he assigned to each. Then they are filed in a different office in the clerical branch, and the names are attached to the numbers and placed on the list. That list is then despatched to me, showing the names of those who have passed the examination.

Q. This list is despatched, or the papers?—A. The list only.

Q. You do not see the papers?—A. Yes, I see some of the papers when they are being examined. That is, I am in touch with the examiner as he is rating the papers.

Q. But the papers themselves do not go to you, as a matter of office procedure or any further than the examiner who actually examines them?—A. Only a certain proportion of them.

Q. In what instances would papers be returned to you?—A. They would not come to me in any instance, except that a certain proportion of the papers being examined by any examiner would be sent to me; that is so that a satisfactory rating may be procured.

Q. Why is it not possible to have the original papers passed along, as part of the file, along with the rating?—A. There is no objection to it except that it would make the file very bulky. Suppose there are about six hundred candidates and three papers, that would make eighteen hundred papers. There is no other objection. The papers are available.

By the Chairman:

Q. How long are they kept for?—A. The regulations require them to be kept for six months, but we keep them longer, until there is no likelihood that they will be needed.

Q. Are they kept here?—A. They are kept in the files of the Civil Service Commission.

By Mr. Ernst:

Q. Then the ratings come to you?—A. Yes, showing the names and the marks of all the candidates.

Q. So far you have only names and the marks—those marks are only on the written papers?—A. Yes.

Q. You have the age or education and experience attached to that?—A. Yes.

Q. Before you had that of course you know the name of the individual?—A. Yes, the rating on education and experience is given on the strength of the application itself.

Q. Do you conduct any examination to verify those?—A. The application form contains the warning that all answers are subject to investigation, and if any errors are found they are liable to exclusion.

Q. Do you require corroboration of their statements?—A. Not generally, for this reason; for some technical positions we may have one or two hundred men claiming to be graduates of universities. We do not write in all cases to make certain that they are graduates, but in the ratings that are highest we write to the universities to find their standing and the courses they have pursued. If there is one outstanding man he is checked by his work done.

By the Chairman:

Q. You spoke of many technical cases; what about the ordinary cases? Does the same practice prevail?—A. The same practice prevails. Generally the declared application form is the basis of rating.

Q. If a girl applies for a position as stenographer there is no rating in that?—A. No.

Q. Take one where there is a rating; take a junior trade commissioner; if a person there applies for a position you will rate him on his statement in his application, for example, as to what his experience is?—A. Yes.

Q. And that rating is given without investigation to determine whether his experience is what he states it is?—A. Yes, it is, except that I would like to qualify it in this way; his statement of experience is amplified by the reports he has received from previous employers.

By Mr. Ernst:

Q. If he has not filed anything from his previous employers, do you investigate?—A. Only if he stands highest in his examination.

By the Chairman:

Q. How would you meet the situation where some fellow that is very modest in sending in his application is found to be the better man?—A. We do not find many cases of that kind.

Q. He would never be considered, because you do not consider him unless he is highest?—A. In the advertisement we state that his rating is based on what he gives us. That is, he must give us that if he is going to get the rating.

Q. Take the converse—a man that tells too much in his application—for want of a better expression, who toots his own horn?—A. Well, that happens very often. Generally speaking, we have not found very much necessity for investigating such a man's qualifications.

By Mr. MacInnis:

Q. Those weights are maximum weights?—A. They are the relative weights of each phase of the examination.

Q. That is, six is the weight for written examination?—A. It has a weight of six out of ten marks—60 per cent. out of the total.

Q. Would it follow that the highest, the best written examination, would get the mark of six?—A. No, not in that sense. The written papers are all rated

on the basis of one hundred, but the written paper has a weight of six as compared to four for the oral examination; in other words, the written examination constitutes 60 per cent. of the total.

By Mr. Ernst:

Q. The ratings reach you, and I ask you if you make inquiries before giving your experience and educational rating?—A. No.

Q. But do you actually make that rate yourself?—A. No, the different examiners; one of the examiners makes that.

Q. You do not make any rate yourself?—A. I do in certain cases. I am speaking of myself as an examiner. I do not make all the ratings; I make some. There are nine other examiners who are on that work as well, and in many cases that rating of education and experience is given by a small board on which there is a representative of the department as well as the examiner of the Commission.

Q. Of the department concerned?—A. Yes.

Q. And those ratings are passed on to you as chief examiner?—A. Yes.

Q. Then what do you do with them?—A. They are passed on to me combined with the rating of the written examination, and showing what we call the final rating.

Q. Then what do you do?—A. They are further combined by showing the names of those who have passed with a clear 60 per cent. on each subject and 70 per cent. of the total. Those names are shown in order of merit, subject, of course, to the returned soldier preference.

Q. Who determines the returned soldier preference?—A. That is determined by our clerical section.

Q. When the combined ratings come to you and you have the returned soldier preference determined, and you have them all in the order of eligibility, what do you do?—A. I go over the file and satisfy myself. The file as submitted to me contains the original request of the department, showing the qualifications required, the examination papers, the reports of the examiners, the application of the successful man—the top man in the examination—and the combined rating on all the marks.

Q. But the papers actually written by the candidates, even in the case of those that are highest, are not brought to your attention?—A. No, except with the others.

Q. But I mean as chief examiner?—A. Not as a general rule.

Q. Then you go over the file and make any notation on them?—A. No, generally speaking, I find the files are quite satisfactory, and I simply then submit to the commissioners this statement of successful candidates for their approval as a list of eligibles.

By Mr. Vallance:

Q. And you sign it?—A. Yes.

Q. And pass it on to the Commissioners?—A. Yes.

Q. Your function is ended for the time being?—A. So far as that is concerned, yes.

Q. In the case of successful candidates, or those who rank high—I do not mean that in the sense of an individual only—would it not be more desirable to have the examination papers written by the candidates returned to you along with the rating?—A. I do not know that I could feel that that, as a general rule, would be necessary. In certain cases I think it is very desirable.

Q. In view of the cases you had here in Ottawa I think it would be a very desirable one?—A. It would be practically impossible to have them all handled in that way.

Q. I am not asking for all, but if those who ranked highest on the examination papers in the celebrated case that was tried here and in Montreal, if those examination papers had been sent to you and you had seen them, that could not have happened?—A. In those cases there were over three thousand papers.

By Mr. Ernst:

Q. How many of those would be available for immediate appointment? —A. I do not know how many have been appointed. Suppose there is a list of 100, that means there would be 300 papers attached to each file, if there were three subjects in the examination.

Q. You have no audit system in your examination?—A. Yes, we have.

Q. You did not have?—A. No. This is supplementary. This is something we have inserted as a necessary check.

Q. Up until that time you had no check?—A. As I say, there was a personal check, but we found it was not sufficient. We had this check before: under the regulations a candidate who was not satisfied with his ratings has the right to appeal, and those papers were re-read by an independent examiner. That we found was not sufficient.

Q. Only in case the candidate complained?—A. Yes.

Q. It was unexpected and periodical?—A. Yes.

Q. What system have you since established?—A. A percentage of all the papers—5 per cent. in large examinations and 10 per cent. in small examinations are submitted for independent rating.

Q. Who selects the 5 or 10 per cent?—A. They are selected purely at random by the Clerical Section. There can be no opportunity of picking out special papers.

Q. It could not be the examiner?—A. He has nothing to do with that.

Q. The Clerical Section make the selection?—A. Yes.

Q. And they are different from the examiners?—A. Yes.

By the Chairman:

Q. As I understand it, although as Chief Examiner you do not actually prepare all examination papers, all examination papers which are prepared have to have your approval?—A. Yes.

Q. Before they are submitted to candidates to write upon?—A. Yes.

By Mr. Bowman:

Q. In all departments?—A. In all departments, and all examinations.

Q. In looking over the Bouchard report—the report submitted to us yesterday in the Bouchard case—I rather gathered that your ten examiners were given charge of certain departments?—A. That is correct.

Q. Yet, nevertheless, all examination papers come to you for approval? —A. Let me distinguish. Mr. Lawson's question was as to the question papers. All question papers come before me for all departments before they are finally prepared and printed.

By Mr. MacInnis:

Q. Is the rating on education and experience made before or after the name of the applicant has been made known?—A. In making the rating on education and experience the name is known, because the rating is made on an application form bearing the name. It is not disguised. There is no disguise of identity in that case.

By Mr. Bowman:

Q. Now, when does the name of the candidate become known? At what stage of the examination proceedings?—A. When the marks are finally returned by the examiner they are compiled and tabulated by the Clerical Section.

Q. In numerical order?—A. Yes.

Q. Then you get out your list and the name is ascertained?—A. Yes, exactly.

Q. I think you went over this with Mr. Ernst, but, perhaps, not in detail. Now, what is the next step after you get the returns from the written examination? They are all placed in a certain order then? What is the next step?—A. I pass them, after going over them, to the Commission for their approval. If they are approved—

Q. Wait a minute now. I mean only after the written examinations have been ended and the standing has been given on the written examination. What is done next?—A. If there is a rating on education and experience in addition, that is added; if there is an oral examination that is added; and when the complete examination is assembled, it then comes to me whether it be one part, two parts or three parts. It may be a written examination, a written and oral examination, or written, rating and oral. When it is finally assembled and compiled it comes before me, and if I find it satisfactory I pass it to the Commissioners for their approval of the eligibility of the candidates.

Q. The weights have all been determined at that time?—A. The weights are determined at the beginning of the examination.

Q. The respective weights for the competing candidates?—A. Yes.

By the Chairman:

Q. Am I clear on this: The rating for experience, education and so forth is all given on the basis of the application and the accompanying documents before the candidate writes the written examination?—A. Oh, no; not necessarily.

Q. That is what I want to get at?—A. No. There is no fixed rule. It is not necessarily made before the written examination or necessarily after.

Q. There must be some practice?—A. Yes, the general rule is after.

Q. After the written examination?—A. It saves work. We do not rate the people who fail in the written examination.

Q. It is made after?—A. Yes.

Q. And that is made by whom?—A By one of the examiners on our staff. In many cases by a small board consisting of one or two of our examiners and a representative of the department concerned.

By Mr. Bowman:

Q. Now, we will take it that your examination is held and the rating has been completed and that the rates have been given. Now, what happens?—A. Then we list all names showing the final ratings, with each man in order of merit, the top man first. That is submitted to the Commissioners and if they approve it then constitutes a list of persons eligible for appointment to that particular position in the order in which the list is established.

Q. And does the Commission very often change your ratings?—A. No.

Q. Very seldom?—A. I do not recall any cases they have changed. They may ask for further information. That happens.

Q. And as a result of that further information are there any changes?—A. No. It is generally further information regarding the qualifications of the men.

Q. Would you say that in practically all cases the recommendation which you make are adapted by the Commission?—A. Yes.

By the Chairman:

Q. But those ratings which you make are in nearly all cases for appointments to the outside service, outside of Ottawa, merely on approval by you of a rating given by somebody else who was nominated by the Commission for that purpose?—A. Except as applies to written examinations.

Q. I am only talking about ratings on orals?—A. Yes. Though I may ask to qualify that even. I want to give you the facts.

Q. Now, let me get this straight. Where there is a written examination as well as an oral and rating, then in that event all the ratings are made by you or your staff irrespective of whether those appointments are to the outside or inside service?—A. No. Not quite. I must explain that.

Q. Distinguish between an oral examination only, a written plus rating for experience, education and oral?—A. Where the examination includes a written test, a rating of education and experience, and an oral examination, the written examination is in practically all cases done by one of our own staff of examiners. The questions are prepared and the answers are rated by our own staff. The ratings on experience and education in such cases are usually done by our own examiners.

Q. You are talking about the outside service?—A. Even for the outside service. The orals for the outside service appointments are usually done by a small board consisting of a representative of the department concerned and a representative of the Commission who is usually, as I said before, the principal of the local Collegiate Institute or the Registrar of the local University, and also a representative of the returned soldiers' organization.

Q. Now, you have given me complete details on the outside service situation? —A. It is difficult to be complete.

By Mr. Bowman:

Q. That would apply to the appointment of the postmasters?—A. I was confining it to the written examination, the rating and the oral. Perhaps if I gave you the three classes it might clarify it. Take the Customs and Excise position where there is a written and an oral examination. The written, as before, is prepared and rated by our examiners at Ottawa; the oral is done by an inspector of the Department of National Revenue, our representative in the locality, and a representative of the returned soldiers.

By Mr. Ernst:

Q. No education and experience?—A. No. There is separate rating on that. That is included in the oral.

By the Chairman:

Q. The oral examination is made by a representative of the department and a representative of the returned soldiers' organization?—A. And a representative of the Commission who is one of those part-time educational men.

Q. Somebody nominated?—A. Yes. Somebody nominated. It is usual for someone to do it continuously. For example, in Toronto, Mr. James Brebner was our part-time man for years.

Q. Now, take the case of an oral examination?—A. Oral and rating. Take the case of a caretaker, for example, in which there is an oral examination and a rating on education and experience. The oral examination, again, is conducted by a representative of the department, and if the examination takes place in a centre in which we have a part-time representative, by that representative. If it takes place in a small place where we have no representative, the departmental man only is responsible. The rating on education and experience is given by our staff at Ottawa from the application form. Then we come to

the case where there is an oral examination alone or a rating alone. If it is at Ottawa there are representatives of the Commission, one or more examiners, a representative of the department concerned and a reprsentativ of the returned soldiers organization giving the rating. If it is outside of Ottawa it is given by a representative of the department, a part-time representative of the Commission and a representative of the returned soldiers.

Q. Do you say that in the vast majority of cases there is that outside board, the Commission representative and the returned soldiers representative?—A. In the larger towns and cities, yes; in the smaller ones, no.

Q. How would you explain this situation to me: You will remember when Mr. Foran gave his evidence one of the things I questioned him about particularly was this oral examination, and he told me that there might be exceptions but invariably you had a board on which there were representatives outside the public service?—A. Oh, no. He was talking at that time, I think, of what we call advisory examining boards for technical and special positions.

Q. That, substantially, was his statement in regard to it. I wanted to see how accurate that statement was, because, frankly, I doubted it, and I made a little computation which I found was a tremendous job. We could get only about one year done in about three or four hours but, at random, I picked out the department of Agriculture. You sent us a return which we asked for. I took the first year you gave us, 1925, and here was the situation in twenty-three cases. In case No. 1 there was one technical outsider on the board, one departmental representative. I will give you these competition numbers if you want them. In case No. 2 there was no technical outsider, one departmental; case No. 3, no outsider, only the departmental; case No. 4, no outsider, only the departmental; case No. 5, no outsider, only the departmental; case No. 6, no outsider, two departmentals; case No. 7, no outsider, only the departmental. In the next case there was one outsider and one departmental, and so on all the way down the list?—A. That is quite possible.

Q. And taking the computation of the total number of competitions for the year, we figure there were fifty-five, and in that number, the total number of outside technical members participating in any competition was 26 as against 81 departmental representatives?—A. That is quite possible.

Q. Obviously, there is not an outside technical representative in the majority of cases?—A. In every case, of course not. I might say, Mr. Chairman, that the list we submitted to you at your request showing the names of all the members of the advisory board from 1925 to 1931 will give you accurate evidence as to the composition of the boards. It shows whether they are outside or departmental.

Q. But will it give us the number of competitions in which there are no outside representatives as compared with the total number in which there are?—A. Yes.

Q. Now, then, after the department of Agriculture, which is a big one, I took a small department. I took the department of External Affairs. In the years 1925, 1927 and 1930 there was only one of those contests that are listed here in which there was an outsider. In the Insurance department between the years 1925 and 1931 there were seven boards and not an outsider on any of them. We started on the Post Office department, but that looked too enormous?—A. I would not like it to be thought that it was the invariable rule that there was an outsider.

Q. The impression that was left with me—I do not know about the other members of the Committee—the impression that was left with me by Mr. Foran was that although it was not an invariable rule, it was the general practice; that when there was a board there was always on that board a representative of the department, a representative of the Returned Soldiers and a representative

from outside?—A. If I might attempt to do a somewhat dangerous thing—to try to formulate an invariable rule—I would say the rule is that we attempt to get on those boards sufficient experts in the kind of work in question to make it thoroughly certain that we will get the best man irrespective of where we find him.

Q. Apparently, from the results I have indicated, you usually find those experts in the departments?—A. In many cases we find them in the departments. In many cases it is impossible to find them outside the departments.

Q. That may be. My point was that I gathered from Mr. Foran's evidence that he was trying to convey to the Committee the impression that in all these technical appointments there was somebody outside the service who could not possibly have any desire to get his friend John Jones in or Bill Smith in who was sitting there keeping on the brakes and looking after the interests of everybody outside generally, and when I made a computation I found that the reverse was the situation?—A. Yes. In many cases it is impossible to get a man equally as well qualified in a particular line as we can find in the department or in a similar government Department.

Q. That is a nice tribute to the Service?—A. Take the case of the selection of a medical man. We generally find that we have had outside medical men. As a matter of fact, we have a board at the present time in which we are asking several very prominent medical men—prominent in Canadian circles, not only in Ottawa circles—to act, and in many cases we have a doctor from the department in question and another doctor from one of the other departments who is competent in his own particular line. I think the purpose of the board to select the best man is well served by such a board.

Q. That is a matter that might be arguable. I am only interested in the principle?—A. That is the situation.

Q. I can take it then that your view is similar to the one I hold that in at least, we will say, 50 per cent.—if you do not want to go that high— A. I think it is that high.

Q. —in at least 50 per cent. of the appointments to technical positions, there being only an oral examination, the board which conducts that examination is preponderatingly departmental?—A. And the Commission, of course. I would like to add that. You have the departmental officers, but there are always one, two or three examiners from the Commission as well on all these boards. They are not named on that list of yours but they are always present.

Q. If they are present, they have no say?—A. I think—

Q. Except their persuasive and solemn influence upon the examiner?—A. If you will look at the note it shows in all these boards that there are one or more members of the board—

Q. According to the departmental records that we have that is not an explanation. The explanation is that the departments, in respect of technical positions, seem very anxious to have it so that they have always a departmental man there and always a returned soldier?—A. There are always one or two representatives of the examining staff of the Commission. I think the clerk will verify that from the statement of the returns to the Committee.

Q. But this examining staff is not the board which makes the recommendation?—A. It is part of the board. The board consists of three, four or five persons of which at least one member, generally two, is an examiner on the staff of the Commission.

Q. You mean the local examiner?—A. I mean one of the examining staff of the Commission.

Q. Do you include local examiners outside of Ottawa? You do not call one of your examining staff from Ottawa, do you?—A. No. I include the local examiner in the outside—as a matter of fact, most of these technical boards are held at Ottawa because most of the high technical positions are here.

Q. Now, I take it from the number of years you have been associated with this position as Chief Examiner that you have had a great deal of experience. I have had called to my attention an examination paper set about a year ago to the position of secretary to the Board of Grain Commissioners, and I am told that one of the questions on that paper was, "name the different grades of wheat"? and another one was, "give the location of the terminal elevators"? Now, what earthly worth could that indicate of a man's qualifications for a secretarial position when, if he had any sort of ordinary education, he could go and look up information concerning the grades of wheat and the names of the terminal elevators. After he was on the job an hour he would know by heart every grade of grain and every grain elevator. And to be fair with you I want to say this so that you may deal with it in your answer and give us the information, it gives the opinion abroad, whether rightly or not, among the public that that advertisement and that examination were all cut and framed to fit the fellow who has a corn on the left toe of his left foot, because they say, "why, only a fellow who has been temporarily on the job knows those things"? —A. I hope we will come back to that temporary question later, but as regards this particular position may I say this: The position of secretary of the Grain Commission is not an ordinary position; it is a technical position. He is the technical secretary of the Grain Commission, and unless he knows the grain trade he is of no use to that Commission. Those are reasonable questions asked to find out whether the man has a technical knowledge of the trade with which he is going to deal.

By Mr. Vallance:

Q. Thousands who made application for that job had that knowledge?—A. Quite.

By the Chairman:

Q. Can I take it for granted that if I call here the head of one of the largest grain houses in Canada that he is going to be able to recite to me every grain elevator in Canada and tell me where it is located?—A. No; but I do say that if he does not know the conditions in the grain trade he will not make a good secretary of the Grain Commission.

Q. That is getting wide of the mark. The question was why is it necessary to know the location of the terminal elevators in Canada?—A. My answer is simply this: I think a good secretary should know where those terminals are located.

Q. Oh, yes; that may be, but my question is: Is it not a matter of a few hours study to know them. For example, my ten year old boy in college could tell me more about the rivers in Africa and the countries and their capitals than I know, but I do not think he is quite as intelligent as his father, although probably he may be more so.—A. I see your point. I do think, however, in the case of that examination, that it is a fair indication of whether or not the man has an acquaintance with and experience in the type of work he must have to make a good secretary of that Commission.

By Mr. MacInnis:

Q. It might bring out the fact as to whether or not he had ever taken any interest in that particular matter?—A. If he had not taken an interest in it he would not know it.

Mr. VALLANCE: We would not want him if he could not answer those questions.

The WITNESS: That is the point.

Mr. Bowman:

Q. You stated that finally the results of these examinations, with their weights, were determined by you, and a list was prepared, and that list went to the Commission, and when that list went to the Commission the men were placed in their order of merit, their final order of merit?—A. Yes.

Q. And you said that as a general rule—in fact in practically every case—the Commission agreed with your findings?—A. Yes.

By Mr. Laurin:

Q. You spoke of submitting a list to the Commission. Did you submit that to the three of them?—A. No, Mr. Laurin, it generally goes to one commissioner first and is passed in rotation to the other two, unless there is something special about the case in which case it is considered by three commissioners in joint session.

Q. But very often you submit that to one commissioner?—A. Yes. It goes through to the other two. It eventually reaches all three.

Q. Yes; but they are not involved together to decide finally, are they? Very often just one commissioner will decide?—A. Oh, no. It must bear the signature of the three commissioners.

By the Chairman:

Q. *Pro forma* they all decide; but unless there appears to be some dispute or some one commissioner questions the appointment, then he may refer it for a full board meeting?—A. That is correct.

By Mr. Bowman:

Q. Then it goes back to you again?—A. Not always. It is considered by the three Commissioners in a joint session.

The Committee adjourned to meet Monday at 11 o'clock.

HOUSE OF COMMONS,

March 21, 1932.

The Select Special Committee to inquire into appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 11 a.m. Mr. Lawson presiding.

The CHAIRMAN: Just one or two formal matters before we continue the evidence. As you are aware, we asked for returns from the Deputy Ministers of all departments. Some of these have not yet been received. It would be a matter of great convenience to the Committee, if these deputy ministers who have not as yet made returns could let us have them by Wednesday, the 22nd, at the latest, in order that they would be available for members of the Committee to look over during the Easter recess. We would like to have those returns available in the hands of our Clerk by Wednesday.

Mr. CHEVRIER: May I suggest that, if they are not too lengthy, copies be made. If there is anything that is too lengthy, of course, let that go; but anything that could be done—

The CHAIRMAN: In seven copies, would be much appreciated. Then, gentlemen, I have a letter addressed to me as Chairman of the Committee, from the President of the National Research Council arising as the result of some statements given here in evidence. It is really quite too lengthy to read and it has some schedules attached to it which are explanatory. I am filing it with the Clerk and it is available for members of the Committee who would like to see it.

Mr. ERNST: Is it taking exception to the views expressed by, I think it was, Dr. MacTavish?

The CHAIRMAN: Yes. It is taking exception to the views in two respects: One, that the employees of the National Research Council are higher paid than similar technical employees in the Civil Service generally; two, it takes exception to bringing its appointments under the jurisdiction of the Civil Service Commission.

Mr. ERNST: I think the writer of the letter should be called to give evidence.

The CHAIRMAN: I think that is a good idea. We will have him here. Then, gentlemen, you will remember there was a question raised the other day with respect to the procedure to be followed where a civil servant was accused of political partisanship. I now have available a certified copy of P.C. 1467 which has been amended by P.C. 2125. Neither is a very lengthy document, and I will have copies of each made and supplied to the members of the Committee within a day or so. I also have a further request from the Civil Service Association of Ottawa and a request from the Amalgamated Civil Servants of Canada to appear here and make submissions, and I am formally advising both of them that we will be glad to hear them in due course. Now, gentlemen, is there any member of this Committee who wishes to bring anything forward before we proceed.

CHARLES H. BLAND, recalled.

WITNESS: Mr. Chairman, before you proceed, may I submit, for the information of the Committee, the schedule for the examination for letter carriers, as requested by Mr. MacInnis, and for the examination of immigration inspector, as requested by Mr. Vallance.

The CHAIRMAN: These will be filed with the Clerk.

Mr. CHEVRIER: May I ask this: Mr. Chairman, would it be possible to have copies of Dr. Tory's protest? If it is not very long, it could be typed. I would like to have a copy of it.

The CHAIRMAN: Yes. I will have it done. Would it be satisfactory if I had Dr. Tory's statement printed in the record. It would save making copies?

Mr. BOWMAN: I think it might be in order to have it read.

The CHAIRMAN: I think we will have it put in the record.

Mr. CHEVRIER: I wanted to save time. If it could be read into the record, so much the better.

The CHAIRMAN: This communication, from the President of the National Research Council, dated March 17, 1932, reads as follows:—

NATIONAL RESEARCH COUNCIL
CANADA

OTTAWA, March 17, 1932.

J. EARL LAWSON, K.C., M.P.,
Chairman,
Special Committee on Civil Service,
House of Commons,
Ottawa, Ont.

DEAR MR. LAWSON,—I wish to acknowledge receipt of your letter of the 16th instant advising that it is not necessary that the National Research Council should submit the information originally requested.

I note, however, that according to press reports in the evidence given before your Committee yesterday, the statement was made that the employees of the National Research Council are paid about 25 per cent higher than other branches of the Federal Service, also that appointments to the staff of the National Research Council are made by me. If such statements were made, I must inform your Committee that they are absolutely incorrect.

The National Research Council has, broadly speaking, three classes of employees:—

(a) Employees of professional rank (requiring specialized post-graduate training in science in addition to high standing in under-graduate courses);
(b) Administrative employees;
(c) Sub-professional employees in the National Research Laboratories (including technicians, machinists, laboratory helpers, etc.).

With respect to the professional staff, the salary rates paid by the National Research Council are those recommended by the Beatty Commission, as detailed in Exhibit "A" of their report of February, 1930, page 60, and subsequently approved by the Governor in Council. I attach hereto a statement showing the six grades of professional employees authorized under the above authority.

Attention is particularly called to the very special qualifications required for an appointment to the professional staff of the Council. It must be borne in mind that in research work the difference between success and complete failure will frequently depend upon whether the individual carrying out the investigation has minimum or maximum qualifications for appointment. Consequently appointing staff to carry out research work exclusively only the best men, selected from the few at the top who possess the special mental equipment for research work, may be considered.

In considering the attached statement (Appendix "A"), it should be noted that the six classifications provided for the professional staff of the Council, the two highest grades apply only to two persons in each division—the Director and the Assistant Director. With regard to the salaries which have been authorized for these two grades, I may say that when the requirements as to specialized training, breadth of experience and professional standing are taken into consideration, the rates which have been provided for these positions are certainly not higher than many salaries now paid under the Civil Service Act in various departments of Government.

All other professional employees of the Research Council are classified in the four lower grades, and it is equally true that throughout the Civil Service there are employees who are receiving larger salaries than those provided for the professional staff of the Research Council, although in many cases the positions do not require as extensive period of training and experience as is required for appointment to our staff.

With respect to the administrative staff of the National Research Council, I would call attention to the fact that the employees of the Council falling in this class bear exactly the same titles and the same salary rates as exist throughout the Civil Service at large. This is also true of the sub-professional staff.

I have not the slightest hesitation in asserting that the compensation which is being paid by the National Research Council to its administrative and sub-professional staff is not higher and in many cases is actually lower, than the salaries which have been authorized by the Civil Service Commission and are being paid, for comparable service, in the various departments of Government.

To take only one illustration, I would call attention to the fact that my chief administrative assistant, who is also secretary of the National Research Council, is receiving a salary considerably less than that provided for an assistant deputy minister. Furthermore, his salary is lower than that which has been provided under the Civil Service Act for the assistant chiefs of various departmental branches which are not, in any sense, comparable with the National Research Council. This merely illustrates the general fact that the salaries of the staff of the Research Council are by no means higher than those which have been authorized under the Civil Service Act.

This is equally true of the sub-professional employees of the Council. One illustration will serve to make this fact quite clear to your Committee. Recently the Physical Testing Laboratory, which formerly operated in the Department of the Interior, under the Civil Service Commission, was transferred to the National Research Council, together with the employees of the laboratory. The salaries which certain of these employees are receiving are higher than those paid by the Council to its own staff for comparable service, with the result that the Council

is at present faced with the necessity for a downward revision of the salaries which have been authorized by the Civil Service Commission for these employees.

With reference to the statement which is reported to have been made that appointments to the staff of the Research Council are made by me, may I call attention to the fact that the method of making these appointments is clearly defined in Section 10 (f) of the *Research Council Act.* Briefly, the procedure is as follows:

In the first place the Council must secure the authority of the Governor in Council for all new positions which it desires to have established and the salary rates must be specifically stated in each case.

When the position has been established in this manner, all applications for appointment to the professional staff of the Council are first reviewed by a Standing Committee of the Research Council established to deal with applications for appointment to the particular scientific division concerned. The recommendation of this Committee is submitted by the President to the Research Council for a decision and the decision of the Council is then transmitted to the Chairman of the Committee of the Privy Council on Scientific and Industrial Research for approval.

It will therefore be apparent that appointments to the professional staff of the Research Council are not made in any haphazard manner but in such way as will ensure that all applications are reviewed by competent scientific authority and the best qualified applicants selected.

The procedure followed in appointing clerical and sub-professional staff is the same as described above, except that the Council has authorized the President to submit recommendations on its behalf to the Chairman of the Committee of the Privy Council in connection with the appointment of junior clerical and sub-professional staff.

In view of the statements which are reported to have been made to your Committee, I feel that the foregoing facts should be placed on record.

Sincerely yours,

H. M. Tory,
President.

Then there is a schedule of their employees attached.

Mr. Chevrier: Will the schedule be printed?

The Chairman: Yes. There is a copy of the Act attached; it will not be necessary to print that. (Schedule as filed, see appendix "B" to Minutes of Evidence.)

Now, Mr. Bland, I think you presented some typical examination papers which were requested, and those were filed with the Clerk. Is there any other information you wish to volunteer?

The Witness: I think it would be desirable, Mr. Chairman, that I should answer any questions of the Committee first, and, possibly, at a later date, there might be some suggestions more valuable if made then than now.

The Chairman: Are there any questions which you wish to ask Mr. Bland now, gentlemen?

By Mr. Ernst:

Q. Mr. Bland, I understood you to say that all recommendations for appointments bore your signature before they are passed to the Civil Service Commission?—A. Yes, sir.

Q. And in addition to that, your duties are to supervise the whole Examination Branch?—A. Yes; and to assist the Secretary in the general administration of the Commission.

Q. To assist the Secretary in the general administration of the Commission and to supervise all examination papers for whatever positions they may be?—A. They are approved by me.

Q. Before they are sent out?—A. Yes.

Q. How many examiners have you?—A. Ten.

Q. Would it be possible to—could you give the names of them?—A. That information is filed, Mr. Ernst, in a memorandum showing the name, education and qualifications of each examiner and the duties he performs. That is all on file with your Clerk.

Q. Can you tell me what your own are?—A. They are on the file, too.

By Mr. Bowman:

Q. Does the filling of positions of the staff of the Board of Grain Commissioners come within your department?—A. Only partially, for this reason: The Commission has had a number of arrangements with the Board of Grain Commissioners, it being rather peculiarly situated with regard to the employment of staff, and our idea has been to hamper as little as possible the employing of such additional help as they need when they need it. In other words, for the higher positions on their staff we conduct, at their request, entrance and promotional examinations, but the great bulk of their lower staff is hired immediately by the Board of Grain Commissioners themselves and is employed on a purely temporary certificate by the Commission.

Q. Can you tell me, off hand, what their permanent staff is?—A. Their permanent staff is largely confined to the higher offices—the inspectors, and supervisors of the lower grades; what might be called the manual labourers, the trackmen, samplers and so on, are not permanent.

Q. No. I understand that. Have we any material filed with the Committee now that would show us what the permanent staff is?—A. No. I will be glad to have that prepared.

The CHAIRMAN: You mean filed with this Committee?

Mr. BOWMAN: Yes.

WITNESS: I do not think that has been submitted, but I will be very glad to have it prepared and submitted.

By Mr. Bowman:

Q. If it would not be too much trouble?—A. Not a bit.

Q. In furnishing that information, will you note the salaries?—A. Yes, certainly.

Q. And will you also set out somewhat briefly in your memorandum—in that report—the duties of the Commission itself?—A. Certainly.

Q. And the work which the Board of Grain Commissioners perform?—A. Certainly.

By Mr. Ernst:

Q. What would be the nature of the examination for the department of Marine and Fisheries, Pensions and Health, National Defence and Railways and Canals?—A. Perhaps I could divide them in this way: The clerical positions in those departments, the position for clerks and stenographers, are the same as they are in any other department, but for positions in the Marine department, for example, of a technical nature, the examination is designed to suit the particular requirements of the particular position. I do not know that I can generalize on them.

Q. Does the examiner, grade 2, for the department of Marine and Fisheries, Pensions and Health, etc., set the papers?—A. There are very few written papers for the technical positions in those departments. The procedure usually is to secure help from the technical officers of the Department or from outside the department who will assist the examiner in the work.

The CHAIRMAN: Is there anything else, gentlemen?

By Mr. Bowman:

Q. You intimated the other day that you might have something to say about the weight given to temporary employees. We had some discussion about that, if you remember?—A. Yes. The comment I wanted to make before the Committee, in connection with that, is this: I think the Committee realize that one of the possible evils and possible abuses in connection with the examination system is where undue weight is given to the candidate who happens to have temporary experience in a position, and, just on account of that possible danger, the Commission has been endeavouring both to reduce the weight that has been given for such experience and to go beyond that and to prevent, as far as possible, the employment of even temporary employees without competitive examination in the first place.

By the Chairman:

Q. You say that the Commission have been endeavouring to reduce the weight. What is to stop them in their endeavour?—A. Just this, that where we find a candidate who has been, through circumstances, perhaps, over which we have no control, in a position for two or three years, in that case I do not think it is either practicable, or fair, that no weight should be given to that experience; but, in the case of short term temporary employment, then the Commission does not give weight for that short term experience. It depends upon the length of time the temporary employee has been in.

Q. But there is no regulation, or rule, laid down to say that experience shall have such a proportion of the weight? It is a matter of discretion with the Commission?—A. Yes. It is a matter of pressure and discretion both.

Q. And under the term pressure, would come the force of the department's desire to have the particular person in that particular position?—A. Quite. Perhaps I might, if I have time, give you a case in point—the position of chief page in the House of Commons.

Q. That is a famous one?—A. Would you sooner I did not refer to it?

Q. No, not in the least. I have to refer to it later?—A. In that particular case, the department had a number of temporary employees on its staff who did not come from the Commission. This position of chief page is a position regularly established. It is permanent in nature. When it became vacant, the department naturally desired to have it filled and also desired to have considered the temporary employees on its staff who were not secured through the Commission. That was a difficulty to meet at the very beginning. The position was advertised, a written examination was held, and a number of outside candidates, as well as a number of those on the temporary staff, passed the examination. When the vexed question of rating on education and experience came up, the department naturally felt that some weight should be given the experience gained over a period of years by these temporary employees, and the Commission naturally felt that, if that was carried too far, it was not fair to the candidates from outside. That is what I meant by pressure—an attempt to be fair to all candidates concerned.

Q. How many years had the chief page been a temporary employee?—A. I should think three or four, at least. I do not know. I could get the exact number.

Q. I think it exceeds that?—A. It is quite possible—half a dozen, or eight, or nine.

By Mr. Chevrier:

Q. Do you think the word "pressure" is the proper word to use?—A. Perhaps not. I am quite willing to change it, if it does not express—

The CHAIRMAN: I think it expresses it perfectly.

By Mr. Chevrier:

Q. Is it not more or less the desire on the part of the department to have somebody in the department whom they consider fit for the position?—A. Quite so.

By the Chairman:

Q. An expressed desire is pressure?—A. Quite so. On the other hand, I think the factor must be considered of the desire of the Committee—of the people of Canada—that the best man among all concerned be chosen, and the question is that, in certain cases, the department has had large experience with only one man and naturally they think he is the best.

By Mr. Chevrier:

Q. You have no desire to curb the desire of the Department to secure the best man?—A. Certainly not. Our only desire is to lead that desire into the best possible channels.

By the Chairman:

Q. In fairness to Mr. Bland, he is not expressing his desire; he is endeavouring to give this Committee an intelligent view of a system, or condition, as it prevails, as he sees it?

Mr. CHEVRIER: I have no objection that he should do that. The only thing, when one uses a word, I want that word to have a meaning, fair not only to the Commission, but to the department concerned.

The WITNESS: Mr. Chevrier, perhaps we can get it defined a little more clearly. What I had in mind was this, that in any competition there are two points of view to consider: there is the point of view of the Department; there is also the point of view of the Commission; and our desire, and our attempt, is to harmonize those two views, to the best interests of the service at large.

Mr. CHEVRIER: I have no objection to that, but at the same time, do you not think that there must be a certain amount of discretionary power used in this way, that the desire of the department to fill that particular position, with someone actually experienced for it, might make for open hostility on your part, or on the part of the Commission?

The WITNESS: I am glad you mentioned that word hostility because there is no hostility; we work very well together.

Mr. CHEVRIER: Then the word "pressure" was not properly used?

The CHAIRMAN: I think it was properly used.

By Mr. Chevrier:

Q. Then, at the same time, there ought to be a desire on the part of the Commission to send to the department the man that is fully qualified for the position which is sought to be filled?—A. Quite.

Q. At the same time, without any hostility on your part, or without any pressure on the part of the department, do you not think that the special desire, or inclination of the department expressed toward a certain man would meet with a certain sentiment of hostility on the part of the Commission?—A. I think it does.

By Mr. MacInnis:

Q. Putting that in another way, Mr. Bland—

Mr. CHEVRIER: If it is put in any other way, I want to know in what way it is put.

The CHAIRMAN: Just a moment, Mr. Chevrier. Other members on this Committee have their rights as well as you.

Mr. CHEVRIER: I do not intend to be bossed or coerced by any statement made here.

The CHAIRMAN: I do not intend to allow any member of this Committee to give evidence or to put it on the record, without any other member of the Committee being given an opportunity to ask the witness any question he so desires.

Mr. CHEVRIER: I am not putting evidence on the record.

By Mr. MacInnis:

Q. Mr. Bland, I feel quite satisfied with your use of the word "pressure". Would you not put it this way: The heads of departments, do try to influence the Commission in favour of a temporary employee in the department?—A. I think I can answer that in this way, Mr. MacInnis: the natural tendency on the part of any departmental official, who has a satisfactory temporary employee working for him, is to favour that temporary employee. By the word "favour" I mean it in quite a fair sense. He will express his views on behalf of that employee quite strongly.

Q. That is sufficient to define the term, or the word, "pressure"?—A. Of course the "pressure" I was speaking of was not pressure from the Department, but pressure from the Commission, namely, pressure to try and bring about the fairest possible rating we could get.

By the Chairman:

Q. Mr. Bland, take the concrete illustration which you mention. It was desired to make the permanent appointment of a chief page of the House of Commons, was it not?—A. Yes.

Q. A man had been in that position for at least three years, we will say, temporarily. I understand it was a great deal longer, but that matters not. The Commission advertises that as an open competition. It is necessary for the chief page of the House of Commons, I presume—in view of the fact that there are new page boys coming in every year—to be thoroughly familiar with all reports, stationery, Hansard and everything can be obtained which any member of the House of Commons may request from his seat?—A. That is very desirable.

Q. And, therefore, I presume, that the head official of that particular staff of the House of Commons may have intimated to the Commission that he was very anxious to have appointed this man who had the experience and knowledge of where all these things were?—A. Yes.

Q. And had the Commission nominated some person other than the one who had that experience, the deputy head could have rejected such nomination? —A. Oh, yes, if he had not had the experience he should never have been appointed.

Q. And the result of that combination of circumstances was that there was pressure, or moral suasion, or whatever you want to call it, from the department upon the Commission, of necessity, to appoint the man who had had that wealth of experience?—A. I would just like to qualify that, Mr. Chairman,—the word "pressure", as I used it originally, only applied to the attempts of the Commission, not of the department. I think I said that our attempt was to have pressure brought to bear to bring about the fairest possible rating.

Q. Would it not be just as fair to say that pressure, such as I have indicated, is, from time to time, brought upon the Commission by the deputy head, or heads, of any particular department, in order to get someone whom they think is more satisfactory for an appointment?—A. Quite naturally.

Q. Have you any idea of the cost of advertising those open competitions? —A. Yes.

Q. What would it run,—take this one you are speaking of, chief page?— A. Well, I should think that would run several hundred dollars.

By Mr. Bowman:

Q. What?—A. Several hundred dollars.

Q. To advertise for the position?—A. To carry through the entire competition.

Mr. ERNST: More than that. I know one boy who tried the examination, you paid his expenses into Halifax.

By the Chairman:

Q. To advertise that competition, across Canada, would cost several hundred dollars?—A. Yes.

Q. Then each candidate who was permitted to come forward to examination would have the expense of attending at the place of examination to write?—A. Yes.

Q. Then the departmental employees, and officials of the Commission, would have to handle all those applications for the position and would have to sort them, and a Board of Examiners would have to be appointed, an examination paper has to be set, all this routine has to be gone through?—A. Yes, quite right.

Q. All of which involves a considerable expenditure of the public's money? —A. Quite.

Q. When it was fairly obvious, right from the beginning, that there was only one experienced man qualified to fill the position, and he had been there for some years, at least over three years?—A. May I just add something to that, Mr. Chairman? I quite agree with everything you have said on the whole situation, but the whole question would have been obviated, had the temporary employees of that particular branch of the House of Commons been under the Civil Service Act instead of outside it, because then the promotion could have been made without the expense.

Q. Let me take the appointment of Mr. Leapard, to the position of clerk, grade 3, Toronto?—A. The same thing applies there, and the same answer applies.

Q. But he was under the Civil Service Commission, was he not?--A. Not before. He was in the department of Soldiers' Civil Re-establishment, but he was not under the Commission. That was the difficulty.

Q. Yes, but is your suggestion, Mr. Bland, that all those apparently useless expenditures of public money are now obviated, because the Commission is still issuing these certificates allowing a man to take a temporary position?—A. In many cases the competition would not be necessary, except that we are dealing with two phases of the public service, one coming under the Civil Service Act and one outside.

Q. Let me take a case which is entirely under the Act—and I have some here—.—A. I will admit those, Mr. Chairman, certainly.

Q. There are a number of cases that are under the Act?—A. Quite.

Q. We have a number of cases that come under the Commission, have we not?—A. Certainly.

Q. And in those cases there is that so-called open competition and that expenditure of public money, and, in the result, the person who was the temporary employee gets the permanent appointment?—A. That is in a comparatively small number of cases, I think, Mr. Chairman.

Q. How many would I have to find in order to change your view on that? —A. I do not know that, I am sure.

Q. What do you mean by a small number?—A. I think a very small percentage of the total number of appointments are those men who temporarily were occupying the position before.

Q. Yes, but you are speaking of a small percentage of the total number of appointments made under the Civil Service Act?—A. Take the total number of appointments made by competition, if you wish.

Q. Would you say that the number of temporary employees who received the permanent appointment as the result of open competition, for positions in respect of which there was already somebody already in the position, would be very small?—A. I am afraid I will have to clarify that a little bit again, Mr. Chairman. I think the number of cases in which the permanent appointment was given, after competition, to the man who was temporarily occupying it, is very small.

Q. What percentage would you say?—A. Well, I do not think it runs more than 10 per cent anyway. Of course, it is hard to give the figure without working it out.

Q. You are only giving us your approximate judgment. In 10 per cent. of the cases that would happen?—A. I would not like to say that it is even 10 per cent., but I do not think it goes beyond that.

By Mr. MacInnis:

Q. Does not the appointment of temporary employees, without competitive examination, strike at the very root of the merit system?—A. Quite so, and the obvious answer to that is this, that those temporary appointees should be appointed after competition and then there will not be any abuse such as that of which you speak.

By the Chairman:

Q. And the reason, Mr. Bland, that you now have to go through this formality of open competition, and this expenditure of public money, is because of the very system under which the Commission must work, namely, a merit system whereby the one ranking the highest is supposed to obtain every appointment?—A. May I add this, Mr. Chairman, that I think the abuse of which you speak has decreased very materially in the last few years, and that where such abuses are found, at the present time, they are very largely due to the fact that they are appointments to positions inside the service where we cannot, for obvious reasons, consider applications from outside the service.

Q. I see for example here—going back to that question of expenditure—that the printing for the Civil Service Commission for last year amounted to $33,448.95. That, of course, I would presume, includes examination papers? —A. Everything, yes.

Q. That would include the whole thing—A. No, it would not include examination papers. They are printed by the Commission itself.

Q. What would this include?—A. All other stationery and printing.

Q. Oh, it would not include files of papers and the advertising that is inserted in the papers?—A. I think you will find that given under a separate item, Mr. Chairman.

Mr. BOWMAN: What does that item cover, Mr. Chairman?

The CHAIRMAN: The item of printing for the year 1931 amounted to $33,448.95. That included, however, all printing for the Civil Service Commission, not merely the circulars which are sent out all over Canada advertising open competitions, but it does not include the cost of advertising those open competitions in newspapers, periodicals and so forth.

The WITNESS: That is very low, Mr. Chairman. I would like to remark that the cost of advertising in the newspapers runs at a very low figure.

By Mr. Chevrier:

Q. What does that represent?—A. That represents all the printing and stationery used by the Civil Service Commission during the year, not only for examination purposes, but also for purposes of classification, organization and everything else.

By the Chairman:

Q. This other item, for 1931, "Cost of Holding Examinations:" $16,427.06, that covers extra items other than the printing of examination papers?—A. Yes, Mr. Chairman.

Q. That would include examiners' fees?—A. Yes, that would include examiners' fees, cost of halls, supervisors and so on.

Q. Is there any figure in here which would give me the printing of examination papers?—A. No, it is not there. It is not included because it is done by the staff of the Commission.

Q. Then another thing I wanted to determine, Mr. Bland,—some witness outlined to us that you have a Board of Local Examiners, for example, in Toronto, we are told it is the Assistant Registrar of Toroto University who sits in with departmental representatives and the returned soldier representative, and so forth. Are these examiners paid, and if so, on what basis?—A. They are paid on a part-time basis, only, at the rate of $10 a day.

Q. They get a fee of $10 for each day or part of a day in which they sit or hold the examination?—A. Yes.

Q. Then another matter on which I wanted to get some information: in this schedule you give us a variety of lower grade positions. Take, for example one where you have both a written examination and an oral examination,—take an immigration inspector, for example. You give a weight of six, for the written examination, and a weight of four, for the oral?—A. Yes.

Q. How is that weighting done? Assume I write the examination and I get 75 marks, do I get a weight of $4\frac{1}{2}$?—A. Of 75 marks out of—

Q. Out of 100, I get an average mark on the written examination of— —A. Of 75.

Q. Of 75 per cent?—A. Yes.

Q. Then do you give me an award of $4\frac{1}{2}$ out of that 6?—A. I wonder if I can explain that more clearly. A written examination, Mr. Chairman, has a weight of 60 out of the 100 marks and the oral examination has the remaining 40.

Q. Oh, yes. Well, then, if I obtain 50 out of 60 on the written examination would I be automatically given a weight for the written examination, of 5?—A. If you obtain 50 marks on the written examination, Mr. Chairman, that is equivalent to the highest,—all the papers are rated on the basis of 100. It is simply an easy way to follow it.

Q. Assume now that I write a paper, a written examination, and on that examination for which 100 marks is the possible, I make 75, what rate do I get for the written examination out of 6?—A. You get 45.

Q. That would be 4·5 out of the 6? And I get it automatically?—A. Automatically, yes.

Q. And no one has power to vary it or change it or anything else?—A. No, that is given automatically.

Q. And does that apply to all the cases in which there is a weighting for written examinations, together with, or without, a rating for education and experience?—A. Yes. If I may add again, the object being to try and divide the phases, or the factors, of the examination into the weights to which they are entitled. Obviously, in some examinations, a written test is of more importance than an oral test, and, in other examinations, the oral test is of more importance than the written test. This is simply the weighting of each one.

By Mr. Ernst:

Q. I notice, Mr. Bland, in looking over your list of examiners, the total number is 11, counting yourself and the chief French Examiner?—A. Yes.

Q. That is 11 all told?—A. Yes.

Q. And out of that 11, four are graduates of one university?—A. Yes, I think so.

Q. The same university as yourself?—A. Yes.

Q. And three possess old country education?—A. I do not think they are old countrymen. I think they were born in this country.

Q. But of the 11, four are graduates of one university?—A. Yes, that is true.

The CHAIRMAN: To what are you referring, Mr. Ernst?

Mr. ERNST: The Examination Branch.

The WITNESS: May I just interject there,—they have to secure their appointments by competitive examination.

By Mr. Ernst:

Q. I find, for instance, Mr. Kemmis, who conducts examinations for the departments of Immigration and Colonization, Justice, Health, Trade and Commerce and Royal Canadian Mounted Police is a graduate of private and public schools in Ireland and England, with Cambridge local junior examination.—A. He was a member of the Alberta Bar.

Q. His educational qualifications are old country?—A. Yes.

Q. And I find that Mr. Garrett, examiner grade 2, who does advisory examing boards and examinations for the department of Public Printing and Stationery, and examinations in editorial and publicity work, his education and experience are matriculation to Cambridge University and extra-mural course from Jamaica College.

I find that Mr. Morgan, who does the department of Marine, Fisheries, Pensions, National Defence, Railways and Canals and Board of Pension Commissioners, is a graduate of Edinburgh University and of a Theological College, in Glasgow, of the United Free Church of Scotland,—so that three of the 11 possess old country educational qualifications?—A. Yes, but they have all been residents of Canada for a very considerable period. They also served in the Canadian forces with distinction and they have a fairly good knowledge of Canada.

Q. I see they are all classed as returned soldiers?—A. Yes.

Q. It does not indicate what they served with?—A. They all served with the Canadian forces.

Q. The point I am coming to is this, those men would give oral examinations in that particular department, or give educational ratings in the departments with which they deal?—A. They would prepare part of the oral examination, yes.

Q. And would not that give an advantage, rightly or wrongly, to the man who has an old country education, or the rudiments of it,—would not that examiner be inclined to take that into consideration, that the man with old country educational qualifications might be superior to the Canadian?—A. That might be possible, Mr. Ernst, though I do not think it is the case, in these instances.

Q. There is an unconscious sympathy?—A. The possibility of it is present.

Q. I mention that because I had a specific case drawn to my attention in which one man had Canadian educational qualifications, with high university training; he had a better written examination than the other, but, on the educational test, the other man, who had an old country education, was rated higher and eventually secured the certificate?—A. Of course, I think we have to admit this: that in the case of many of the applicants you will find, where they have had old country schooling, their schooling is superior to the schooling of Canadians.

Q. In some lines?—A. In some lines, quite true. In general, I think that is true.

Q. Then I find, on looking at your qualifications, the qualifications for assistant secretary and chief examiner are: education equivalent to graduation from a university of recognized standing. Then the qualifications for Civil Service Examiner, grade 2:—

> Graduation from a recognized university, preferably with post-graduate specialization in chemistry, mathematics, engineering, biology or other field; at least three years of experience in a line of work requiring familiarity with examination and investigation methods and procedure; preferably some knowledge of employment methods and modern office practice; supervisory ability; ability to meet the public; tact and good judgment.

Now, if I take your grade 2 examiners here, taking them in order as I find them,—the first one, Mr. Garrett, in the light of the qualifications which I have read, I would take it he would be a graduate from a university along the line which would be involved in the fields of his examination?—A. Yes.

Q. I find that he, as I stated, does advisory examining boards, and examinations for the department of Public Printing and Stationery and examinations in editorial and publicity work. His educational qualifications are:—

> Matriculation to Cambridge University; extramural course from Jamaica College; one year's experience in teaching; seven years' experience in office work; two years' experience in newspaper work:

which latter may, or may not, mean anything. At one time I used to write the sports page for a newspaper, but I would not call myself a newspaper man.

The WITNESS: Perhaps I could help the situation if I submitted detailed statements in regard to each.

By Mr. Ernst:

Q. I wonder how he comes within the qualifications required of your own examiners?—A. Perhaps I might explain that, in this case, Mr. Garrett entered the Commission in 1919, I think.

Q. He entered the Commission in 1918, received government appointment January 1, 1920?—A. Those qualifications that you refer to were part of the present official classification of the Civil Service Act which were set up at a later date.

Q. In other words, if he had to qualify to-day he could not qualify as an examiner in the position he now holds?—A. Yes, he could. He has had the

experience since. We are not too rigid in the requirement of university graduation; that is, generally speaking, our requirements now, as advertised, will be graduation from a university of recognized standing or the equivalent qualification.

Q. That is the qualification you insist on, and that is not an isolated case. I find that very few of your present Board of Examiners could qualify, as far as educational qualifications are concerned, which you yourself now impose?—A. I do not think I could agree with that, Mr. Ernst.

Q. Let me read another. I will take Mr. Morgan, who examines departments of Marine, Fisheries, Pensions, National Defence, Railways and Canals and Board of Pension Commissions; examinations in English and in office methods. He is examiner, grade 2. I read again the qualifications:—

> Graduation from a recognized university.

A. He has that.

> Q. Graduation from a recognized university, preferably with post-graduate specialization in chemistry, mathematics, engineering or biology or other field?

A. I think he has the other field, but that again is only "preferably."

Q. Surely you would not call a graduate of biology another field?—A. I would like, in fairness to Mr. Morgan, to state that he was a graduate of the Theological College in Glasgow, and he took a post-graduate course in classics.

Q. Has he the qualifications, within the meaning of your own qualifications. He may have an extended post-graduate course, or an extended college training, but are those of any particular value, in connection with the holding of examinations for the departments of Marine, Fisheries, Pensions,—A. Oh, no, not for that particular department.

Q. Let me read his qualifications:

> Graduate of Edinburgh University and Theological College, in Glasgow, of the United Free Church of Scotland; one year Minister of the United Free Church of Scotland; four years as Minister of the Presbyterian Church in Canada.

Now, until he got experience with you, could he possibly have met those qualifications?—A. I think that is perfectly true.

Q. He could not have passed the test as laid down here?—A. No, that is quite true.

Q. I could take others.—A. I thought you were referring to the absence of university graduation.

Q. No, no, any specialization along the line on which he has to examine?—A. There are two or three cases in which the examiners have post-graduate specialization.

Q. Let me take another, Mr. Kemmis: Part of his work is to examine departments of Immigration and Colonization, Justice, Health, Trade and Commerce and Royal Canadian Mounted Police. His educational qualifications are:

> Private and public schools in Ireland and England, with Cambridge local junior examination. Member of the Bar of Northwest Territories; 14 years in the practice of law.

Can you, in his case, tell me his training fits him to deal with anything except, possibly, the department of Justice?—A. Yes, and Royal Canadian Mounted Police.

Q. You say he was a member of the Bar of Northwest Territories, how do you know how he was called to that Bar?—A. He was a practising barrister in Alberta.

Q. For how long?—A. Ten or fifteen years, probably.

Q. There is nothing to indicate his record at the Bar?—A. I do not know how he was admitted.

Q. Can you supply that?—A. Certainly.

Q. As to what experience he had at the Bar?—A. Certainly.

Mr. BOWMAN: As to how he entered and became a member of the Bar?

The WITNESS: I think, Mr. Ernst, I would like to point out some of the legal officers who have been appointed, and who have given very excellent service.

By Mr. Ernst:

Q. I cannot find one examiner who comes up to the qualifications.—A. You take Mr. McNaughton—possibly he does.

Q. I see he took a course from Lasalle Extension University— —A. That covers that. Mr. Nelson also has special qualifications.

Q. Do you regard LaSalle as being a "university of recognized standing?" —A. No. I would prefer it to some—

Q. Do you regard it as a university of recognized standing?—A. No, nor equivalent, no.

Q. He does not fill the qualifications?—A. No. I would like the same answer to apply again, that they came on before those qualifications were set up or established.

By Mr. MacInnis:

Q. They were selected by competitive examination?—A. Yes.

Q. In that case it would be assumed that they were the best qualified of those making applications?—A. They were the best qualified we could get.

Mr. ERNST: They do not meet the Commission's own qualifications?

Mr. MACINNIS: As he has pointed out, those qualifications have been formulated since they made those appointments. Whether they meet the qualifications or not, they would have to carry on with the best material to be found, either that or discontinue operations.

Mr. ERNST: It seems that they were first temporary, and then transferred to the permanent staff.

The WITNESS: I see your point.

Mr. ERNST: They do not meet your own qualifications.

The WITNESS: They do not meet those qualifications as laid down to-day.

By Mr. Ernst:

Q. Does not that strike you as being anomalous? You lay down certain qualifications and your examiners do not measure up to those qualifications?—A. That is also the case in many technical positions.

Q. Does it not strike you as anomalous?—A. Of course, but if we were choosing them now, we would try to get men who would meet those qualifications.

By Mr. Bowman:

Q. Take the appointment in the case of the chief page, has that been advertised?—A. Yes, it has been.

Q. Can you let me have the costs that have been incurred in that connection?—A. I can estimate it as closely as I can.

Q. The amount of the examiners' fees and advertising?—A. Yes.

Q. And the total cost in connection with the proceedings to date?—A. Yes, I will be glad to get that for you.

The CHAIRMAN: If I might suggest, with your approval, Mr. Bowman, Mr. Bland might let us have the number of people who applied?—A. Yes, I will give you full details.

[Mr. C. H. Bland.]

By the Chairman:

Q. The number who were examined, and who was permanently appointed and the number of years that the man who was appointed was serving in a temporary capacity.

By Mr. Bowman:

Q. Can you tell me what the average cost of advertising those positions was?—A. About the only way I can estimate that for you, Mr. Bowman, is to divide the total cost by the number of competitions. It is pretty hard to keep an average cost for each particular competition, because of the many interlocking services, but I can give you an estimate, I think.

By Mr. MacInnis:

Q. The cost of appointments could be materially lessened by abolishing the board— —A. If I might interject, Mr. Putman, the Chief of the Organization Branch, has just handed me a note— •

The CHAIRMAN: I can make you several suggestions.

The WITNESS: May I just interject this note, on the point you are making, that Mr. Putman, the Chief of the Organization Branch, hands me. This note is that all those examiners came in as junior examiners, in which the classifications were less stringent, and they have since been promoted to higher classes.

Mr. ERNST: The only point I was making was this. According to your own regulations, you have a most anomalous situation, of people holding positions who are not now qualified under your own regulations.

The WITNESS: Quite so; I think that is fairly general in the service.

By Mr. Chevrier:

Q. Do you find that the examiners you have now giving any difficulty— —A. No.

Q. ——in the appointing of people to those highest positions, even if the examiners have not the qualifications that new ones would have, if they were now selected?—A. No, I do not think so. I think the examiners are giving very satisfactory service because they have had experience with the departments that has made them specially valuable.

Q. Those new qualifications are a result of what?—A. I think I had better let Mr. Putman, Chief of the Organization Branch, explain that.

By Mr. Ernst:

Q. In other words, you would need a superior type of man there. I can quite imagine that the theological gentleman running the Marine examinations, naturally would get his experience from Noah's Ark?—A. In fairness there, I should say this, the gentleman who has under his charge the department of Marine, is assisted, in all those examinations, by technical men from the department, and they certainly know their department. That, of course, must be the case in many appointments, as far as the Civil Service Examiner is concerned. He could not know the whole thing himself.

By the Chairman:

Q. There is another class that I am interested in, Mr. Bland, and they are called Investigators. What are their particular duties?—A. There again I think in fairness to Mr. Putman, I should let him answer that question, Mr. Chairman.

By Mr. Bowman:

Q. Mr. Bland, I remember during the last year getting the usual notification from the Commission that a doctor was required to fill a position in the northern part of the province of Alberta, if I remember correctly. What was the cost to the Commission in advertising that position?—A. That would not cost, generally, very much, because in the northern part of the province of Alberta it would be advertised only in that particular section, and not over the entire Dominion, and the cost would be comparatively less. The position probably would be at Edmonton, I suppose, or in any case, if it was for the northern section of Alberta, it would only be advertised in that section.

By the Chairman:

Q. It would be confined to that province?—A. Yes, or, quite possibly, to a certain district in the province. As you know, there is a section in the act, or a clause in the act, which prescribes that the appointment to local positions shall be made from residents of the locality.

By Mr. Bowman:

Q. Take the office of chief page, that was advertised Dominion-wide?—A. Yes, because unfortunately, or fortunately, as the case may be, that was a position at headquarters, Ottawa, which is open to the entire Dominion of Canada.

Q. Can you tell me now what it would cost to advertise a position like that?—A. Well, my estimate would be it would probably cost $100, or $200—I do not mean for advertising alone, I mean a total cost. The advertising alone would not cost very much, I do not know what the cost would be, perhaps $10 or $5, something like that.

Q. Well, I was rather startled at your suggesting, as I understand it, that it ran into several hundred dollars?—A. The total cost of the entire competition would run, probably, to $100 or $200, possibly.

Q. In any event, you are to give me that.—A. I will try to get that information for you, yes.

By Mr. Chevrier:

Q. It is the total cost of holding examinations, with people from all over Canada, inclusive?—A. Inclusive, of all costs, start to finish.

By Mr. Ernst:

Q. Advertising, and your examiners?—A. Yes.

Q. In how many centres would that examination be held?—A. Well, speaking from memory, I should think five or six.

Q. One would be held, for instance, in Halifax, N.S., and also one in New Brunswick?—A. I do not think one in New Brunswick.

Q. One in the province of Quebec?—A. Yes, perhaps $5 a piece for examiners.

Q. That would be $10 for an examiner a day?—A. $5 for half a day—I think it took only half a day.

By the Chairman:

Q. Would not a position of that kind be advertised in the leading daily papers in all the large centres in Canada?—A. I do not know whether this position was or not. We advertise in the daily papers only when we feel it necessary to secure sufficient applicants. In that case, I think it would be simply posting advertisements in local post offices and meeting places of that kind.

By Mr. Bowman:

Q. In your examination staff, what assistance have you in addition to the examiners themselves?—A. In addition to the ten examiners?

Q. Yes.—A. Well, we also have part time assistance of outside examiners, as required. For example, in the examination for a veterinary inspector, none of the gentlemen named are qualified to examine on veterinary science, and for that we have part time assistants, professors from veterinary colleges.

Q. No further staff?—A. Similarly, on a similar kind of examination, for other special positions.

Q. Outside of the temporary part-time staff, what permanent staff have you beside examiners?—A. There are ten examiners, also I think, approximately, 70 clerical staff. I have those figures, and perhaps I had better be accurate—62 other appointments.

Q. What are they, stenographers?—A. Stenographers and clerks.

Q. What would you say with respect to that staff? Are you over-staffed? —A. No, decidedly not. We have been cutting it very materially, and we purpose keeping that staff down to requirements—sometimes we would like to keep it up to requirements.

Q. You say you have been cutting it materially?—A. Yes; we keep a staff that is dependent upon the work to be done. It is very materially dependent upon the number of examinations to be held, and the number of candidates. For example, last spring, when the census examinations were held, we had approximately 7,000 applicants. It needed more temporary people to handle that situation than when no large examinations were on.

Q. Probably from now on your staff may be down?—A. Quite so; it is dependent upon conditions.

By Mr. Ernst:

Q. Just one question. You were here this morning when a letter from Dr. Tory was read?—A. Yes.

Q. For all positions, such as the higher positions on the National Research Council, it is a fact that the National Research Council is in a better position to pass on condidates than the examiners you have here?—A. Well, the positions in the National Research Council, if they came under the Civil Service Commission, would be decided in approximately the same way as Dr. Tory prescribed in his letter, namely, by scientific experts.

Q. In other words, there would be no great advantage—A. I would not go that far.

Q. You have to go outside for efficient technical examiners—A. The great benefit would be this, that the appointments would then be made by the Civil Service Commission, and there would not be the same suspicion, if you like, that any other agency is interfering in the selection. I am not saying that there is suspicion of this board, but what I do say is this: I think any position in the public service could be better chosen, should be able to be better chosen, if an independent agency is doing the selecting, than if any department does.

Q. Would you suggest that the National Research Council is not an independent body?—A. Well, it is not independent in the sense in which I use the word; it is a government department.

Q. It is not an independent body?—A. It is a government department.

Q. After all, the Civil Service Commission is a government department?—A. Quite so, but there is a little difference. I think Mr. Ernst knows the difference. I think the National Research Council would not make an appointment quite as independently as the Commission would.

Q. As it stands at present, your staff could not make the appointment?—A. The present staff could not make them, no.

Q. You would need additional help?—A. There are many appointments that the staff can not make.

Q. You would need the help of others?—A. We would have to utilize technical and professional help.

Q. That is at present?—A. Yes, in this particular case we would have to utilize outside help.

By Mr. Chevrier:

Q. In the way of appointments?—A. In the way of appointments, yes.

By Mr. Ernst:

Q. You would still have a chief examiner without any special technical training selecting people for higher technical positions?—A. Well, I do not know that I would like to go that far, for these examiners and members of the staff do actually select for those higher technical positions.

Q. Your object is—.—A. I would have some part in it.

Q. You have no special technical training?—A. No.

Q. So that your organization, as far as qualifications go—.—A. When I say that, I might say—I do not want to put it in any exaggerated sense—but I think I have some technical training in the methods of selection.

Q. I am not suggesting you have not, but I am saying as far as your qualifications go—.—A. We would—

Q. —you could not improve upon the Council who makes the selections?—A. No; we would probably utilize the same technical men.

By Mr. Chevrier:

Q. That is true to a large extent in the appointment of all technical officers?—A. Yes.

Q. Under the present system?—A. True.

Q. It does not apply only to the Research Council?—A. Quite true in the other branches.

Q. Any time you have to appoint a particular technical officer, you have regard to that under the present system of appointment?—A. Quite.

By Mr. MacInnis:

Q. They also appoint a clerical staff?—A. Yes.

Mr. Ernst: I was dealing exclusively with the question of technical officers.

By Mr. MacInnis:

Q. That principle should be maintained all the way through. The Civil Service Commission is a competent body to make selections?—A. Yes, and there is the other point I raised, that you will have great administrative difficulties, if you have the Civil Service divided into sections, one section under the Civil Service Act, and the other outside. There are advantages to having an elastic Civil Service by which you can make movements from one to the other. If you have hard and fast walls between the sections, I do not think it tends to efficiency.

By Mr. Ernst:

Q. Having to make appointments to the National Research Council would be an additional expense to the country?—A. Well, not a great deal; yes, some.

Q. Every time you called in an outside technical man, you would have to pay him?—A. Very fortunately he does not charge us anything. They have been very reasonable that way.

Q. They give their services free?—A. Practically all, yes. It has been very very remarkable the way in which the public men of Canada have assisted the Commission, free of charge.

By Mr. MacInnis:

Q. Would it cost you more than it is costing the National Research Council? —A. I do not think it would really cost any more, except an addition to the administrative and clerical staff, that is all.

By Mr. Chevrier:

Q. The same thing would apply—it would cost less if you and other departments selected them?—A. I do not think there would be a great deal of difference in that.

By Mr. MacInnis:

Q. If the National Research Council selected them you would need to create another clerical staff to help with the other departments?—A. Yes.

By Mr. Bowman:

Q. Do you know, Mr. Bland, what duplications there are in the printing bureaus of the different departments of the government, or is there any duplication?—A. You mean in connection with printing staffs in the various departments?

Q. Yes.—A. There is some, undoubtedly there is some. Some saving could be made. Mr. Putman, perhaps, can answer that more definitely. The matter has been referred to on several occasions in the Annual Reports of the Commission.

By Mr. Vallance:

Q. Supposing the Research Council is coming under the Act, would you suggest to them the education and experience of the examiner, or would they suggest to you what his qualifications should be, or would you arrive at it yourself, as a Commission?—A. That would be worked out.

Q. Have you any department— —A. Do you mean suggesting the qualification of the man to be chosen?

Q. Yes.—A. That is worked out jointly between the department and the Commission. The department obviously knows the kind of man it needs, and can suggest qualifications. They work along with the Commission, and a joint agreement is reached on the qualification to be required.

Q. After listening to Mr. Ernst here with this list of examiners— —A. Yes?

Q. It would appear to me— —A. They do not set the qualifications, of course. The examiners do not set the qualifications for the position; that is done in Mr. Putman's Branch.

Mr. BOWMAN: I think Mr. Vallance and you are working at cross purposes.

By Mr. Vallance:

Q. Take the department of Marine and Fisheries. The department of Marine and Fisheries suggests to you that Mr. So and So is all right, being a graduate of such and such a place. They do not suggest to you that the individual who is to be examined for this position should have those qualifications?—A. No.

Q. Who do?—A. Well, I would say that it was rather a matter of making it out in the office. There is no doubt that at that particular time, from 1918 to 1920, it was a question of trying to get the work done in the best way possible under the circumstances, and a lot of conditions arose, at that time, which the service has been trying to iron out since.

By the Chairman:

Q. Mr. Vallance is trying to find out who sets those qualifications?—A. They are set by the Organization Branch of the Commission, and approved by the Commissioners. As I suggested, Mr. Putman should deal with these matters himself.

Q. I was just looking over this return of examination papers that you gave to the Committee. Take for instance, letter carriers. Am I correct in my understanding that a letter carrier's job is to take mail which has all been sorted at the Post Office, and which is allotted to him, sorted in the proper order so he can deliver it with a maximum of dispatch?—A. That is the chief duty. They are employed to do other—

Q. What else?—A. He also has to make simple arithmetical calculations, for example, in dealing with householders to whom he wishes to sell stamps, and whom he may have to pay—he must be able to use simple arithmetic, and must be able to make a simple report to the postmaster as to any lost mail matter, or things of that kind.

Q. Now, there has been a good deal of complaint about the examinations for letter carriers. It is one of the big difficulties.—A. Yes.

Q. A man does no work in the Department, and he applies to write the examination. As I understand it, there is no school for a letter carrier, where he gets any information of any kind before he writes his examination; is that correct?—A. Well, there are some schools, as a matter of fact, but there are no recognized schools.

Q. They are not maintained by the department?—A. No.

Q. Or by the Civil Service Commission?—A. No.

Q. Here is a question a man is asked: name five important post offices in the province of Ontario; five, in Quebec; three, in British Columbia and two each in Alberta, Saskatchewan, New Brunswick and Prince Edward Island. —A. Yes.

Q. What difference would it make whether a man going on a job, brand-new as a letter carrier, knows the name of five important post offices in all those different provinces?—A. If you look at the heading on that paper, you will see it is an examination for a letter carrier or a mail porter. These positions are sometimes interchangeable; and I will readily admit that for a letter carrier that knowledge is not necessary.

Q. Supposing he wants to be a letter carrier, and does not want to be a mail porter; is there any examination he can write?—A. The deciding of that position is with the postmaster; he may be used as both. That question is more for a mail porter than a letter carrier.

Q. There is no separate examination for mail carrier. That is, he must qualify as both a letter carrier or mail porter?—A. Yes. This one paper is used for both.

Q. I mean, there is no other paper, is there?—A. No.

Q. That a man has any opportunity to write?—A. No.

Q. So that this man, who wants to get this position, without any training school in the post office department or a civil service commission to tell him what he ought to know before he writes the examination, has to write this. Now, just take question 7: "In what provinces are the following cities and towns located," and it goes on to give you a whole list, "Lethbridge," and so forth—wholly unnecessary for a letter carrier, is it not?—A. It is unnecessary for the limited duties that he would perform as a letter carrier, but not if he is used on other work.

Q. I will stop at that for the time being. Then let us go down to question No. 10. Give ten different countries— ——A. Yes.

Q. And ten of the States of the United States of America?—A. Yes.

By the Chairman:

Q. Is there any reason why a letter carrier should know ten countries, or ten States of the United States?—A. I see your point.

Q. I agree about the Provinces of Canada, because I think a man ought to know that.—A. I see your point, Mr. Chairman, but I think even as a letter carrier a man should have some elementary education, and some elementary geographical knowledge.

By Mr. MacInnis:

Q. In other words, it would indicate some intelligence?—A. Indication of his knowledge.

The CHAIRMAN: Not as to geography, which he learnt in public school, and he may have been away from that for 15 years.

The WITNESS: As a matter of fact, Mr. Chairman, a man will be a better letter carrier, if in addition to those fundamental qualities, he has some general information.

By the Chairman:

Q. I do not doubt that. I have no doubt, if you took a lawyer, that he would make a better letter carrier than those you have now.

Mr. ERNST: I doubt that.

Mr. CHEVRIER: I would not say that. I would not say that a lawyer would make a better letter carrier than the ones you have now.

The WITNESS: With all due deference to lawyers, Mr. Chairman, it is not altogether clear that, because a man is a good lawyer, he would necessarily be a good letter carrier.

By the Chairman:

Q. What are mail porters' jobs?—A. Mail porters take bags of mail at the railway terminals, those great bags of mail, load them on to the cars, and, when they come off the cars, sort them again, on arriving at the post office.

Q. That would require a certain geographical knowledge?—A. Yes, it would.

Q. You can find lots of men to apply for the position of letter carriers, and pass those examinations?—A. At the present time, hundreds of them.

Q. Under normal conditions?—A. Yes. I do not think we have ever gone short, except in such cities as Windsor, Ontario, where it is normally very difficult to recruit, in any way.

Q. What mark are letter carriers required to make.—A. He needs 60 per cent. of the entire paper.

Q. That is to get a pass?—A. To get a pass.

By Mr. Chevrier:

Q. Have you an eligible list of letter carriers at present?—A. Yes.

Q. Is it very lengthy?—A. It is.

Q. Quite lengthy?—A. Quite lengthy.

Q. For those who have passed over 60 per cent?—A. Yes.

By Mr. Bowman:

Q. How old is it?—A. We have one at Ottawa established last spring.

By Mr. Chevrier:

Q. How many at Ottawa?—A. Speaking entirely from memory, I think it should be at least 100.

Q. It shows they are quite intelligent?—A. Yes, of course.

By the Chairman:

Q. There are apparently some schools to which people can go to get some elementary training?—A. Yes. Some business colleges have, to a certain extent, recognized the Civil Service as a field for which they can instruct, and I have in mind large cities in which there are such schools instructing individuals.

By Mr. Bowman:

Q. How long will that eligible list continue at Ottawa?—A. Well, it will continue, under the terms of the act, at Ottawa for one year, and then it will be submitted to the Commissioners for determination as to whether it will be continued for a further year or not. I do not think I could give a definite categorical answer in every case, because it varies according to the local conditions and circumstances; I do not think it is desirable that a list should last too long.

By the Chairman:

Q. At the moment there is no arbitrary rule as to how long a list shall last. All lists automatically cease to be eligible after a certain time.—A. The rule at the present time, Mr. Chairman—I will read you, if I may, the regulations. Section 31 of the regulations of the Commission provides that eligible lists shall expire one year after the date of the appointment except in cases where, in the opinion of the Commission, the public will be served by the continuance of the list.

Q. The rule of thumb is a year?—A. The rule of thumb is a year.

By Mr. MacInnis:

Q. Is there a great turnover of letter carriers in the department?—A. Yes, there is quite a turnover.

Q. The extension of deliveries makes considerable vacancies?—A. It does not look very probable there will be much turnover this year.

The CHAIRMAN: Would you be good enough to leave with me that file you had the other day in connection with the appointment at Christie Street Hospital? I should like to look it over. I shall return it to you?

The WITNESS: Yes, certainly. If there are any more you want, I think there are a couple of supplementary files that I could let you have.

The CHAIRMAN: I may get them. Thank you Mr. Bland.

CLARENCE V. PUTMAN, called and sworn.

By the Chairman:

Q. You are, I believe, the Chief of the Organization Branch?—A. Yes, Chief of the Organization branch.

Q. Of the Civil Service Commission?—A. Yes.

Q. Now, Mr. Putman, are there any matters in connection with this proceeding that you would like to lay before the Committee; any suggestions which you would like to give us voluntarily, or anything of that kind?—A. Mr. Chairman, I think I would like to run over the work carried on by the Organization Branch and show how it ties in with the other work of the Civil Service Commission. I will deal with it under its various phases. I think that the Organiza-

tion work that is carried on is best, for clarity, explained under two heads, first, the Organization work necessary where a new unit is taken into the service, and, secondly, and in my opinion the most important, prosecution of what is generally, and popularly, called efficiency or industrial engineering work. Now, the first class of work arises where, by reason of legislation, or the natural growth of a department, a service is undertaken making it necessary for the Commission to draw up organization establishment lists and classified positions. Efficiency work—the actual reorganization of departments—has been carried on to a very considerable extent in some years and to a very much lesser extent in others. Probably less of this kind of work was done during 1930 and 1931 than during previous years. This work has involved the careful examination of the work carried on by a department or unit, the charting of methods of work and procedure, the installation of new forms of work, the consolidation of units, the installation of mechanical aids, and any combination of all of these. The latest piece of work that has resulted in any saving of money that I can quote is that, in 1931, in the Audit branch of the department of National Defence where the department, I think, at the suggestion of some audit committee which they had in the department, suggested setting up a separate audit branch in their Accounts branch. Now, the Organization Branch officers reported to the Commissioners that they did not think the setting up of that establishment was necessary at all, and after taking the matter up with the department, explaining the situation, the department said, "we will not do it." They had already started and they had quite a considerable staff on this work. However, when it was dropped, there was an immediate saving of $53,000. Now, $53,000 is not very much in itself, for one year, but, in ten years, it amounts to half a million dollars. Now, if this scheme had been undertaken, in all probability it would have been continued and would have gone on at the expense of $50,000 a year.

Q. Would I fairly express the work of that particular branch if I suggested that, so far as the government departments are concerned, it is comparable to an efficiency expert and his staff in a large industrial concern which has a large number of employees?—A. Possibly so; only it has other duties to perform in connection with classification and other matters which are incidental.

Q. But one of your duties is the promotion of efficiency in the departments and their economical operation?—A. Yes, as laid down by Section 9 of the Act. Now, that phase of the Organization Branch work which probably has caused more publicity than any other phase of the Commission's work is the matter of classification. The original classification was completed, as Mr. Foran has already told you, sometime in 1920-21. Since that date, there has been a considerable number of units, large and small, brought into the service. The largest unit that we have taken in since 1921-22 is that of the Pensions Division of the department of Pensions and National Health where, during 1929-30, there were some two thousand permanent employees brought into the service by legislation. These had to be classified and salaries set for all of the positions. They were rather large units. This last year, by legislation, the Royal Canadian Mint was established under the department of Finance. This has involved the classification of only some sixty positions, and it brought an entirely new class of employees into the permanent service. Under the heading "classification," I think I should mention the fact that many thousands of requests for increased classification for individual employees are received. These have been investigated, from time to time, and reports made to the Commission, and to Council, where increased classification was recommended.

Q. To Council? What do you mean?—A. To the Governor in Council. That is, we cannot increase the establishment or the classification of a position without having the authority of Council.

Q. For the expenditure of money?—A. The expenditure of money. The theory, as regards reclassifications, is that reclassifications are requested by departments to obtain for individual employees a higher grading because of the development of the work of the employee. I am afraid, however, that at times reclassifications have been requested by departments simply to please the employee. That is, that the department has not exercised its prerogative in stopping something that they knew themselves should not have been put forward, and that has very materially increased the Organization Branch work because, generally speaking, we investigate everything that is brought before us.

The maintenance of the classification involving as it does the creation of new classes, the revision of definition and qualification requirements, is in itself no small undertaking. We have, from time to time, issued new classification volumes and undertake, with the limited staff we have had, to keep the classification requirements and definition of duties up to date.

The Organization Branch is also responsible for the maintenance of what are called the official position lists of the service. These lists are the lists in which official action is taken by the department and by the Auditor General. It establishes the proper classification for all positions.

One phase of the Organization Branch work which has already been mentioned, or touched upon, is the scrutiny of all requisitions for temporary and permanent employees. These requisitions come to the Organization Branch for classification, and, in not a few instances, requisitions have not been proceeded with, because the Organization Branch, in reporting to the Commissioners, thought that the department did not need the services of this extra employee or employees, or service.

I would like to point out that this matter came, in 1924, before a Senate Committee on the Civil Service, and there were three recommendations made by that Committee that, it seems to me, could aid the Commission and aid the government in keeping down this—I think I can say—constant pressure of the department for more employees. If I may, I would like to read those three recommendations:

> (1) That when a vacancy occurs in the public service by reason of death, resignation or otherwise, such vacancy be not filled by promotion or otherwise except on report of the Civil Service Commission after consultation with the Minister or Deputy Minister. In case of disagreement the facts should be referred to the Governor in Council for decision, and a report should be made to Parliament respecting all such decisions with the reasons therefor.
>
> (2) That an Order in Council be passed instructing the Civil Service Commission to proceed with the reorganization of those departments of the public service which have not been reorganized within recent years, and enjoining deputy heads to render the Commission the fullest co-operation and assistance. This order should further require the Commission to report to the Governor in Council and to Parliament all instances where their work is hampered or delayed by lack of co-operation upon the part of Deputy Ministers or their chief officials.
>
> (3) That by carefully checking all requests for appointments, by absorbing surplus personnel through transfer, and by any other means in its power, the Civil Service Commission use all its endeavours to obviate the necessity of filling vacancies with new personnel; and further that the Commission endeavour to reduce the number of existing positions by having those which are not essential abolished.

In this connection I can think now of one outstanding instance where, within the last five or six months, a department requested the services of a temporary editor. The Commission officers did not quite see eye to eye with the department in the matter, reported the matter to the Commissioners and the Commissioners ruled that the department should obtain the approval of the Governor in Council for his appointment. We have not got this approval yet so that the position has not been filled.

By the Chairman:

Q. Have you found, Mr. Putman, from your experience, that the Commission requiring the approval of an Order in Council to establish any new position is a very material check on the increase in the number of positions in the Civil Service?—A. Up until this last year or so, I would not say so, but, because of the strict economy measures now in force, it does mean something. I have, up to now, refrained from mentioning the question of salary, and of course this question of salary enters into every phase of classification work. The Organization Branch has collected a very large amount of information and data in connection with salaries of all provincial governments, a good many of the civil service jurisdictions in the United States, and we have also from time to time got information of the wages and salaries paid by the big employers in Canada,—insurance companies and large commercial firms—I think all large commercial firms with the exception of the two railways, the Canadian Pacific and the Canadian National, and we have never been able to get their salaries. If there are any details as to salaries, or allowances, or bonus payments, that the Committee would like to have further information on, I can quite readily get it.

The CHAIRMAN: I think, Mr. Putman, if it meets with the approval of the Committee, we do not know to what extent our time may be limited in this investigation, and I take it for granted that the members of the Committee would probably desire to leave over, till the very last thing, any question of the considering of classification, salaries and so forth, because it seems to me the other aspects of the situation are more pressing at this time.

The WITNESS: Yes. Mr. Foran, in his evidence last week, touched very briefly upon savings which might result if a vigorous policy of re-organization were carried on in government Departments. There are two or three outstanding places where I think that there is overlapping in government Departments.

Now, the first is that in five or six of the government Departments there are survey and mapping divisions. I cannot see why all of those should not be consolidated into one unit, and I am perfectly sure that, while a $50,000 saving per annum is nothing, I think probably it would reach double that. I would not be in favour of throwing people out on the street in connection with it, but I would be in favour of consolidating their office accommodation, because office accommodation runs into a lot of money. Their stenographic help probably could be lessened, and there are many ways that a consolidation would effect very material savings.

By Mr. Chevrier:

Q. On that score, Mr. Putman, would you say that these men that make maps in the Hydrographic Survey branch could make geological maps, could make aerial survey maps, could make geodetic survey maps equally well?—A. I would not say that the individual people could do it, but I would say that, in a consolidated service, the overhead would be obviated. That is, that all of these men, with a very little specialized training, would be capable of doing that.

Q. Do you mean to say that the man who works from filed notes, in the geological survey, could equally well prepare a map from the hydrographic survey?—A. With special experience, with a few years in contact with those people, he would, yes.

Q. Are they not specialists in each one of their individual lines? Take, for instance, the maps that are made by the Militia department, showing points of strategy and the like?—A. Yes.

Q. Now, then, take the map that is made by aerial survey, do you think that the draftsmen who actually prepare that map could equally make the maps for those different categories of surveys, could equally make one map as well as the other?—A. As far as the draftsman is concerned, and the draftsmanship involved, yes.

Q. You are quite sure of that?—A. Yes. That is, a high grade hydrographic map requires the same kind of high grade draftsmanship as it does to make one of the Militia and Defence maps.

Q. Do you think one man could do it equally well?—A. I think so; yes, after a very few months.

Q. Well, now, isn't it the result of an absolutely different training altogether?—A. No, I do not think so.

Q. Well, may be. You are entitled to your opinion and I am entitled to mine.—A. I do not think so.

Q. Following that up, these various map drafting departments, would not they have to be specially equipped and maintained as different units?—A. I do not think so.

Q. The man that goes out in the field to make notes for the map of the geological situation of Canada gets his information in a certain way, does he not?—A. You are thinking of two different things.

Q. Of course.—A. I am thinking of the man who obtains the geological information. Down in the Mines branch, there are two sets of people. There is the service of the geologist. The geologist must put his geology on the map that is prepared by the survey people proper.

Q. Well, now, let us get together; we are getting at the bottom of it. It would only be the mapping men, not the whole equipment?—A. The surveyors and the map men, but not the geologists.

Q. Not the whole fabric. Can you explain to me how you would get at, for instance, the geodetic survey. Do the men employed on the geodetic survey employ the same methods as are employed in connection with the aerial survey? —A. Well, the aerial survey work is partly done in the air and partly done on the ground, and the geodetic survey work is partly done in the air and partly done on the ground. The essential basic training for both kinds of work is exactly the same.

Q. You mean, in so far as the map men are concerned, but take the man who makes out the homestead maps showing, in red and white and black and blue, the locations of the various homesteads, and school land sections, and the like? That is quite different from the man who has to locate the necessary data and material for a forestry map?—A. Specially, yes, but basically, the information and the training of those men is the same.

Mr. CHEVRIER: Well, I take it subject to that.

By the Chairman:

Q. If I may follow that up for a moment, I understand the point you are making, Mr. Putman, to be generally this, you may have one concern manufacturing tacks, another manufacturing nails and another screws, but after all, you have one overhead with three separate units?—A. Well, if you leave screws out of it, yes.

Q. Well, then, take tacks and nails?—A. Yes.

By Mr. Chevrier:

Q. Then it is a question of degree, Mr. Putman—

The CHAIRMAN: Excuse me for a moment, Mr. Chevrier. I did not interrupt you when you were asking questions.

Mr. CHEVRIER: This is not a kindergarten, Mr. Chairman.

The CHAIRMAN: Just a moment now. I gave you every opportunity, and I did not interrupt. Let me finish my point.

By the Chairman:

Q. I understand your suggestion, Mr. Putman, is that savings can be effected by the elimination of overhead?—A. Yes.

The CHAIRMAN: Now, Mr. Chevrier, go ahead.

By Mr. Bowman:

Q. Really, what you have in mind, as I understand it, is that once the material is gathered, they put it down in the form of a map; no matter what the form may be, the transcribing of it to that map basically can be accomplished by the same people?—A. I think so, yes. That is consolidation of the survey service; and that leads me to a larger consolidation that I think can be effected, and that is a consolidation of engineering services and my idea would be that there should be in the government service an Engineering department. That is, we have in Railways and Canals, in Public Works, in Marine, portions of engineering work done; also in the penitentiaries branch of Justice and in a couple of places in the Interior department. I know it would take a great deal of working out, to get a proper Engineering Service, but I think it could be accomplished and I think it would make for efficiency.

By Mr. Vallance:

Q. Take any department of the government, such as have legal branches, would you consolidate all the legal elements into one department?—A. In theory, I think that the only legal officers of the Crown are in the department of Justice, those others, legal people in the departments, are simply departmental solicitors.

Q. Why not consolidate them all?

By Mr. Bowman:

Q. It would be a very good suggestion.—A. As a matter of fact, it has often seemed to me that if all the departments were scrambled and then unscrambled, improvements would be made.

By the Chairman:

Q. Mr. Putman, you apparently have some very definite ideas on reorganization to bring about savings and economy in administration.

Mr. MACINNIS: And efficiency.

The CHAIRMAN: And efficiency.

By the Chairman:

Q. What is the situation, at the present time, in this regard. You have very definite ideas about certain things you want to do. What do you do with those ideas. Pass them along to the Commission?—A. I have, from time to time, passed them on to the Commissioners.

Q. Your Commissioners, I presume, want to put those into effect?—A. Yes.

Q. They want to put them into effect, and the only reason, I presume, they are not put into effect is because of objections from departmental heads?—A. That is logical.

Q. Why?—A. And there is another thing too. Up until this last year or two, we had so many other things to do with similar staffs that we have not been able to get right down to it.

Q. Assuming you reach the point where you, as a technical adviser, or an expert adviser, or whatever you want to call it, want to put in a system, and the department head is opposed to it, is there any body, or individual, now who can arbitrarily rule as to what should, or should not, be done?—A. Well, under the Act, the Governor in Council has that authority; that is, we may report to the Governor in Council that something should be done, but the department has the right to report on the same matter as well.

Q. Under the Act the Governor in Council is the deciding factor?—A. Yes.

By Mr. MacInnis:

Q. Under this particular scheme that you have mentioned to-day, for consolidation, have you made a full plan and submitted it to the Commission?—A. No, I have not.

Q. They are just——A. I have not. I am simply—

By Mr. Ernst:

Q. They are just opinions.—A. Yes.

Mr. MacInnis: They are a lot more than opinions; they are a sort of tentative plan in your own mind.

By the Chairman:

Q. Your own convictions?—A. Yes.

By Mr. Bowman:

Q. Will you continue that, please? Have you any more to give us?—A. Well now, I want to take the Post Office department. It has been in my mind, and, I think, in the minds of some of the post office departmental officials also, that a very considerable saving could be made if, in the places throughout the Dominion where they have a postmaster and a district superintendent on postal services, that it would be possible to dispense with one or the other, call him postmaster, but have him act in the place of the district superintendent. Their work in some of the places is an exact duplication. Just for instance, if anything goes wrong in the Toronto Post Office, everybody writes to the district superintendent, and that has got to go to the city postmaster, and he writes a report back to the district superintendent, and the district superintendent answers that. Now, in most cases, the postmaster could simply receive complaints and answer them. Now, they also have something the same in regard to the railway mail service. There is no reason why the postmaster could not go on just as well as the district superintendent; no reason why the inspectors should not report to the postmasters—he would probably receive higher compensation. Then, there are places such as Edmonton—you would probably get a better grade of postmaster, but there are, I think, ten or twelve of the district superintendents—I would not say that they should all be changed—but as a postmaster dies or as a district superintendent drops out, they might at least try it.

By Mr. Bowman:

Q. That really refers to the larger centres? You would need some district superintendent in rural points.—A. No, I think that the postmasters in the larger cities, for instance, there is a district superintendent in Vancouver. There

is one in—it is either Vancouver or Victoria—one in Edmonton: there is one in Calgary; one in Saskatoon; one in North Bay; one in Toronto; one in Ottawa, Montreal, Quebec, St. John and Halifax. Now, there is no reason why some of these places should not cut out the district superintendent. Then, he has a clerical staff; overhead of the office is large; office accommodation that he uses is large in many instances. He has not got anything—he has no post office—

By Mr. Bowman:

Q. What is the next suggestion?—A. I brought those three suggestions forward—in the evidence that was submitted there is a copy of the recommendation of the Commission to the Béique Commission in 1924, and in that there is quite a list I could give you. I have them here, if you would like me to run over them.

By Mr. Ernst:

Q. They were all in a *Journal* editorial this morning.—A. Some of them are in the *Journal* editorial this morning, yes.

By Mr. Bowman:

Q. What about printing?—A. Well now, you mentioned that before, Mr. Bowman, and I did not just understand what point you are raising.

Q. How is printing done at the present time in the various departments?—A. Well, practically all the printing is done at the department of Public Printing and Stationery. To a certain extent every department must have its printing bills passed by them and performed by the department of Public Printing and Stationery, I think.

Q. There is no duplication of service?—A. No, not where the printing of books or examination papers or such things are concerned, but there is probably some printing such as, well, duplicating machines—

Q. Mimeographing and work of that kind?—A. Yes. Multigraphing. Many departments have such plants. I have no opinion to offer on that, because it is just possible that it could be done more economically in the department than by having a centralized bureau. The present system certainly makes for speed in getting things out. I can think of the one instance in the Post Office department where they issue a weekly bulletin. Now, I can say that there are only one or two employed on that, and they are on full time work. I would not see any advantage in a case such as that, in having consolidated services.

The CHAIRMAN: Would this be a convenient time to adjourn? Would the members of the Committee like to sit for a while this afternoon.

Mr. CHEVRIER: No, I am not in favour of it.

Mr. MACINNIS: It depends on what business there is before the Committee. If we have more work to do than we can do during the time of the morning session, we had better try and get ahead with it.

Mr. VALLANCE: It all depends on what happens in the House.

Mr. MACINNIS: They can call us in, if our august presence is needed.

The CHAIRMAN: Well, we can go on for three days this week, and probably we will have a chance to start afternoon sessions after the recess. I suppose we might confine our meetings to morning sittings for this week, and start afternoon sittings next week. We will now adjourn until 11 o'clock to-morrow morning.

Committee adjourned until Tuesday, March 22, at 11 a.m.

HOUSE OF COMMONS,

MARCH 22, 1932.

The Select Special Committee to inquire into and consider appointments to and the control and direction of the Civil Service of Canada, and, generally, the administration and operation of the Civil Service Act, met this day at 11 a.m. Mr. Lawson presiding.

CLARENCE V. PUTMAN, recalled.

The WITNESS: I had prepared, yesterday, a chart showing the departments and the distribution of engineering services therein which I would like to show you.

By the Chairman:

Q. This is a chart of the engineering services in the different departments of the Civil Service?—A. It will illustrate the point I was making yesterday in connection with engineering services—rather a combined engineering service of the Dominion of Canada.

Q. Filed with the Clerk, gentlemen. Now, proceed, Mr. Putman, from where you were yesterday.—A. There was another matter which was touched upon, very briefly, at the time Mr. Foran was giving his evidence, and that was the possible transfer of the Organization Branch and its work to the Treasury Board. I can see some difficulties in the way and some advantages. Wherever the Organization Branch is, it seems to me that unless duplication is to be allowed, practically all of the functions I have briefly touched upon would have to be carried on by the Organization Branch because of the fact that organization, classification and salaries are so intimately connected that to separate them would duplicate the work rather than consolidate it. I have no doubt that a more rigorous prosecution of organization work might be carried on under the Treasury Board. On the other hand, I wonder if as good results could be obtained by an Organization Branch working under the direction of the Treasury Board, the policy of which is apt to change with every government, rather than under the direction of an independent continuous Civil Service Commission. We are firmly convinced, however, that spasmodic review of organization and allied problems is not what will make best for efficiency but that it requires sustained and constant attention. There are two subsections of Section 4 of the Civil Service Act about which no mention has been made before the Committee and which are of considerable importance. Subsection 4, sections (*e*) and (*f*) reads as follows:

> The duties of the Commission shall be (*e*) to make an annual report on the organization and staff, including the duties and salaries of such staff, of each portion of the civil service; (*f*) to arrange for the transfer of supernumeraries or other officers, clerks and employees from portions of the civil service where they are no longer required to other portions of the civil service where they are required.

It is our opinion that a very valuable piece of work can be done under section (*e*) which I have just quoted. We do not think that it can be done in a year, nor do we think it necessary to make a complete review every year.

By the Chairman:

Q. Is that not now done under this annual report filed by the Civil Service Commission?—A. Not just exactly as laid down by the Act, for this reason, that we have not had the staff, nor the time, to do it. It is our idea that the following matters should be looked into: 1. Housing, including working conditions; 2, layout of offices and equipment; 3, staff requirements; 4, procedure, methods of work, and manner in which work is done; 5, efficiency of staff. This can be most casual or can be made the subject of very considerable inquiry.

By Mr. Bowman:

Q. What section are you referring to?—A. Section 4 of the Civil Service Act, (*e*) and (*f*)—6, classification. Due to changes in the department it is conceivable that, after 10 years, the classification of individual positions is not in accord with the work performed.

By the Chairman:

Q. Has the Civil Service Commission not the power now under section 4 (*e*) to make, in their annual report, the recommendation for just such changes as you are suggesting here? And, if they have, what do you expect this Committee to do. I mean, if the power is there now, what changes are there that you suggest, or recommend, we should make?—A. That is a pretty hard question to answer.

Q. That is what you are here for. We are here to inquire into this matter of the Civil Service Act, the administration, organization and so forth, and to make such recommendations as this Committee may deem advisable. Now, if there are already powers in the Commission, and you have ideas—and apparently you are full of them—what is there for this Committee to do? Surely it is a matter for the sole consideration of the Civil Service Commission, and if you can sell them your ideas they already have the power of recommendation, and we will see that it is brought to the attention of Parliament, if it is necessary.

By Mr. MacInnis:

Q. The powers and duties of the Commission in reference to that point are covered in part II, section 9?—A. Yes.

Q. I do not see any difficulty at all in carrying this out—that is if the Commission is of a mind to do the work—unless it may be opposition from the departmental heads?—A. Well, as regards reorganization work in the departments, I would say it is almost impossible to make any progress, unless you have co-operation either voluntarily offered by the departments or forced upon the departments.

By Mr. Bowman:

Q. By order-in-council?—A. By order-in-council, or some other way.

By Mr. MacInnis:

Q. That is the point I have had in mind for some days. Now, do you get that co-operation from the departments?—A. Where the departments want some work done, yes; where they have not wanted any work done, well, we have not got any place; we have not got anywhere.

By Mr. Laurin:

Q. Can you give us illustrations?

The CHAIRMAN: He gave us several yesterday.

By Mr. MacInnis:

Q. Is it your opinion that there are some departments now that are not organized as efficiently as they might be?—A. I am quite satisfied that there are.

Q. Has the Commission drawn that to the attention of the departments concerned?—A. We have drawn attention to many things in two departments, in our annual report, from year to year, but we have not been invited in to do anything; but as far as the Organization Branch is concerned, up to the present time we have been so busy with other things that we have not been looking around for extra work to do.

Q. However, you are convinced that there are departments now that are not running efficiently?—A. I think so; that is true.

Q. And that has been the case for a considerable number of years, I suppose?—A. I think so, yes.

Q. Possibly since the organization of the Commission?—A. Yes.

Q. Now, has the Commission, at any time, drawn that definitely to the attention of the departments and said it would like to step in and put the departmental organization on an efficient basis?—A. We have probably gone further than that in one way and not quite so far in another. Indeed, within the last three or four months, we reported this matter to the Secretary of State in quite a lengthly memorandum. If I remember correctly he returned it with the comment that he thought the Commission had, of its own power, the right to go ahead.

Q. I quite agree with the Secretary of State?—A. We were asking for an order-in-council.

By Mr. Laurin:

Q. Mr. Putman, how many years have you been in the Civil Service Commission?—A. I came into the Civil Service Commission in November, 1918.

Q. What were you doing before? What was your occupation before?—A. I am a civil engineer.

Q. And you have a certificate?—A. I am a graduate civil engineer, yes.

Q. Thank you.

By Mr. Chevrier:

Q. Now, Mr. Putman, as I gather you said that you had a sort of general scheme of reorganization, and that the reason why it was not put into effect was that you did not get that measure of co-operation which was necessary from the departments?—A. Well—

Q. They did not try to get that general scheme into operation?—A. I would not say that it was a general scheme; only as affecting certain portions of the Civil Service. The treatment that would be necessary in various departments varies with the requirements of the departments, so no general scheme would apply to all departments.

Q. Now, is there any marked opposition from any department to any of the schemes you have suggested?—A. I do not know that I can quote a specific instance of an objection to it. At any rate, they have not gone ahead with any of the schemes we have suggested with the exception that, perhaps, half a dozen things, that were mentioned in the Béique report, have been proceeded with.

Q. Is there any general opposition to any scheme you have suggested?—A. I am afraid I cannot answer that question.

By Mr. Vallance:

Q. Now, Mr. Putman, as has been pointed out to you, under the Act you have power to do now what you are asking this Committee to recommend that you may do?—A. Yes.

Q. Now, I understood you to say that you had made various representations to the departments of government to utilize that power which the Act granted, to go in and reorganize?—A. Not to the various departments individually.

Q. You have not?—A. No.

Q. You mentioned the fact?—A. Although in certain instances, where we have been doing some work in the departments, we have known that there was something that might be done. We have suggested it to the department and, in many instances, the departments have allowed us to proceed.

Q. Have there been many instances, in your experience as chief of your branch, when a department of government suggested to you that you might go in and re-organize?—A. Yes. In two or three instances.

Q. Now, you told us that you sent to the Secretary of State a long memorandum setting forth some matters?—A. Yes.

Q. And that it was returned to you?—A. Yes.

Q. And that you thought that probably an order-in-council might be passed giving you further powers or backing up the powers that were already conferred upon you by the Act?—A. Yes.

Q. Would it be reasonable to expect that because of the unwillingness of the department to allow you to go in and re-organize that the heads of the departments would use their influence with the Minister who was representing them in Council to see to it that that order-in-council did not go through?—A. That is possible.

By Mr. Bowman:

Q. It is more a matter of reluctance, is it not, as to going into a department and forcing your attentions upon it?—A. We have felt that we could not make real progress, if we did not have the free will and consent of the department and their whole-hearted support, or else an order instructing them that they must co-operate with us.

Q. You heard Dr. MacTavish give his evidence?—A. Yes.

Q. Do you remember Dr. MacTavish saying that it was the desire of the Commissioners to "suit" the departments?

Mr. Ernst: He considered it was the "genius of the whole system."

The Witness: As far as organization and classification are concerned, I cannot see how you can make any real progress, if you have to suit the departments in every instance. I think if there is an efficient way of doing a thing and the department does not want to do it that way, by putting in the efficient way, you will not suit the department.

By Mr. Ernst:

Q. Then you would differ somewhat from Dr. MacTavish?—A. Yes, in that regard, most certainly.

By the Chairman:

Q. Might I fairly summarize the situation, Mr. Putman, in this way: Assuming that the Civil Service Commission has power to put in re-organization, under the present provisions of the Act, though you may have had definite views as to re-organizations which could have been made, the Civil Service Commission has not, in the past, forced its will upon the Departments in that regard?—A. That is substantially correct, yes.

[Mr. C. V. Putman.]

By Mr. Bowman:

Q. Has there been any re-organization in the Civil Service Commission itself in the last eight or ten years?—A. You mean in the way the work of the Commission has been done?

Q. Yes?—A. Yes. I should say that we have had three or four reviews in the last ten years. The last in 1930, when a complete review of the work and staff was made.

Q. 1930?—A. Yes.

Q. What time in 1930?—A. I think, probably, it was during the fall—the latter part of 1930.

Q. At what time were the two additional Commissioners added to the board? —A. In 1925—in 1926, I think.

Q. Was there any re-organization of the work in the Commission after the appointment of the two new Commissioners?—A. Oh. Mr. Bland has corrected me; the two additional Commissioners were added first in 1918, not in 1926. They were changed in 1926. That is it.

By the Chairman:

Q. Were there three from 1918?—A. There were three. There had been only two previously.

By Mr. Bowman:

Q. When the two new commissioners were appointed in 1925, was there any change in the organization work of the Commission?—A. No. I would not say so. The work of the Commission carried on just about the same as it did before. There was a redistribution of the departments handled by the various Commissioners, but, outside of that, there was no internal change in organization.

Q. How was that realignment of the work determined?—A. I presume it was determined by the Commissioners.

Q. By the Commissioners themselves, so far as you know?—A. Yes.

Q. There was no investigation within the Commission by any particular members of the Commission, or other officers of the staff of the Commission?— A. Not as regards that distribution of duties, no.

Q. You apparently have something else in mind?—A. Well, I really think you should ask the Commissioners about that particular thing.

Q. I was just wondering whether there has been any?—A. No. There was no change.

Q. In 1925 and 1926?—A. There was no material change made at all; but there certainly have been improvements made right along since—as we have learned to do things since 1923 and 1924, there has been improvements in method.

By Mr. Vallance:

Q. Now, Mr. Putman, you said you reorganized the Commission in 1930? —A. Yes.

Q. Now, in 1926—Mr. Bowman asked some questions as to what happened then—now, does the same condition prevail to-day as far as the operation of the Commission is concerned, as it did in 1926—is your system the same—or what change did you make in 1930?—A. Practically the same. We recommended, because of the reductions in staff—We recommended different ways of doing things, some changes in forms and that sort of thing.

Q. It was substantially the same as it was?—A. Yes, it was substantially the same as it was.

By Mr. Ernst:

Q. You came into the Commission, you told us, in 1918?—A. Yes.

Q. Since you came in, in November, 1918, has there been any thorough reorganization of the whole of the various departments at any time?—A. You mean the various departments of government?

Q. Yes?—A. No.

Q. Can you, from recollection, tell us of any department that you have gone into and reorganized?—A. Portions?

Q. No. The department as a whole?—A. No. I think we have not carried on a complete reorganization of any department. We carried on complete reorganizations of various units.

Q. I am dealing with departments as a whole. You say you have not reorganized any department as a whole?—A. No. I think not.

Q. Now, tell us what reorganizing you have done with units, speaking from recollection?—A. Well, the Organization Branch was instrumental in having the—

Q. Don't say instrumental. I am asking you. You either did it, or did not do it. Tell me which department?—A. The mechanization of the Money Order branch of the Post Office.

Q. That is one?—A. The complete establishment and procedure and installation of a double entry set of bookkeeping in the Accounts branch of the Immigration and Colonization department. A complete review of the work and staff—although not so much of the methods—of the Accounts branch of the National Defence department.

Q. You reviewed the staff. Was there any reorganization?—A. Redistribution of duties. There, of course, was carried on—although not directly under the Organization Branch—the complete reorganization of the department of Public Printing and Stationery.

Q. Did your branch do it?—A. No. It was done by experts, who were working under the Organization Branch.

Q. Experts brought in from outside?—A. Yes.

Q. They were not members of your staff?—A. No.

Q. That was not done by your staff, as such?—A. No.

Q. I am asking you, can you give me any others done by your staff?—A. It is pretty hard to remember these things offhand. I could supply you with the information. The complete amalgamation of the Lands Branch of the department of the Interior in 1926-27, or 1927-28.

Q. Done by your staff?—A. Done by our staff entirely, yes. The Central Record Bureau of the Royal Canadian Mounted Police and the Accounts Branch.

Q. Done entirely by your staff?—A. In co-operation with the departments.

Q. It was not done entirely by your staff?—A. No, not entirely. The methods—some by the departments and some suggestions made by us. A complete—this really is not reorganization work, other than the setting up of an establishment for the Welland Ship canal operating staff—a complete review made of the postage paid in cash division of the Financial branch of the Post Office department.

By Mr. MacInnis:

Q. What is meant by a review—a complete review?—A. Well, it was a new unit and we set up the positions and helped the departments on procedure.

Q. Well, you organized that new unit on a working basis?—A. Yes.

By Mr. Ernst:

Q. Now, Mr. Putman, go on?—A. Central Registry division of the department of Marine.

Q. What was done there?—A. A complete new plan of procedure and of personnel which was partially adopted by the department.

Q. It was only partially adopted?—A. Yes, only partially adopted.

Q. I do not know—I did not keep track of the instances you have given us to-day—I suppose there were seven or eight. Now, as Chief of the Organization Branch of the Civil Service Commission, can you give me any offhand estimate of the number of units there would be in all the different departments?—A. Well, there are thirty-eight departments and Commissions. I should say four or five hundred, maybe more than that. That is a comparative estimate.

Q. Four or five hundred?—A. Yes.

Q. You have done approximately—well, we will give you good measure—about ten reorganizations in the last fourteen years?—A. Oh, no, I have a list here—I have my memorandum in connection with that and I can now go on talking for a long while.

Q. Tell us how many of those four or five hundred you have reorganized in fourteen years?—A. Yes, but to be fair you should not question me on that until 1923-24, until we get the classification finished, say ten years.

Q. All right, tell us what you have done?—A. There was a permanent establishment drawn up for the House of Commons staff.

By Mr. Chevrier:

Q. Was it adopted?—A. It was approved by Parliament.

By Mr. MacInnis:

Q. And was it put into effect by the Head of the department?—A. As far as I know.

Q. As far as you know? Don't you know when your recommendations are adopted?—A. It was approved by the House. I have no reason to believe it is not operating the way the establishment was set up.

By Mr. Vallance:

Q. So was this Act approved by the House, yet it is not operative.

By Mr. MacInnis:

Q. Whose business is it to see that the recommendations of reorganizations made by the Commission are carried out? When you make a reorganization of a department, get the plan, and have the plan approved by the Governor in Council, whose business is it to see that this is put into effect?—A. Under the Civil Service Act, it is the Commission's business—under that section of the Act which I quoted this morning.

Q. Do you know if any, or all, of these reorganizations you have made are in effect, at the present time, as you have planned them?—A. I would say that, in any instances I know of, they are working as organized.

Q. What do you mean by any that you know of? Are you not supposed to know all of them?—A. I think I do; yes.

Q. How about the House of Commons organization? Do you know if that is working on the basis on which you organized it?—A. Well, I have not at the present time any knowledge that it is not working.

Q. Have you any knowledge that it is working?—A. Not definitely, no. Not just at the present time.

By Mr. Ernst:

Q. Now, could you give us the rest of your list, Mr. Putman?—A. The Eastern Division Offices of the department of Colonization. That is headquarters unit in Ottawa which handles the eastern immigration.

Q. What did you do there?—A. A complete new establishment of positions was prepared, at the time of a change in the personnel of the unit. I think that the Division Commissioner was moved to England at that time.

Q. Was your plan adopted?—A. Yes.

Q. It is in operation now?—A. Yes.

By Mr. Bowman:

Q. That was just a reclassification, was it not, of the position?—A. Not entirely. There was a redistribution of duties.

By Mr. Ernst:

Q. All I want to get is the organization work. I am not interested in the classification?—A. In 1928 all of the branches—in 1927-28 all of the branches of the department of the Interior were reviewed.

Q. You say all were reviewed. I mean reorganized, not reviewed.—A. Well, it involved a certain amount of reorganization.

Q. How?—A. Well, it involved the amalgamation and the consolidation of the Natural Resources Intelligence Service which brought, at that time, the Chief Geographer's Branch into that branch. There were some other big things brought into that same service at that time. I do not know what they were. A few years previous there had been the same kind of amalgamation of the Reclamation Services and Water Powers Branch, and at that time there were actual reductions in salaries.

Q. I would like to get a list of the units you have reorganized, not reclassified —reorganization work as such?—A. Since the original reorganization in the department of Public Printing and Stationery, we did transfer a staff in the Distribution Branch in the Shipping and Receiving section. That was really continuing the work that had been started. That was not working very satisfactorily.

Q. It was really a part of the reorganization of the same unit?—A. Yes.

Q. It was not a separate unit?—A. One separate unit had set up. The secretarial branches in both the Toronto and Montreal post offices were actually reorganizations in which there were changes in transfer and also the consolidation of about ten different units into the Secretarial Branch.

Q. If you start to include post offices as units, you have more than four or five hundred?—A. Yes. That is perfectly true. I was not thinking of the outside service at the time I said that.

Q. I want to get at how many you have in relation to those four or five hundred—how many different reorganizations you have had in ten years?—A. As far as actual setting up of procedure is concerned, I do not suppose there are more than twenty-five.

Q. You have not given us anything like twenty-five as yet?—A. I am gradually trying to get them together. The Savings Bank Branch of the Post Office department. There were actual changes in procedure put into effect there, and also in the Postal Note Branch of the Post Office department, and also in the Equipment and Supply Branch of the Post Office department. Mail Contract and Rural Mail Delivery Branches were consolidated, but I do not know that there were any real changes in procedure. I do not believe I mentioned the installing—drawing up and installing—of a complete plan for looking after the records in Immigration and Colonization. In 1923 or 1924—I am not sure which—a complete review was made of all the units in the District Superintendent's offices. I think there were some seventeen or eighteen of them. A new procedure was involved and new units set up.

Q. That is the outside service?—A. Yes. Of course, we look after the outside service.

Q. Yes, but when you are including four or five hundred you are not including the outside service. You would surely get up into four or five figures?—A. The Secretary's Branch in the Interior department. I do not know that that involved very much more than the bringing together of quite a number of untouched units into one consolidated unit; and a complete review of the Customs department statistics and certain procedure there was changed.

Q. Well, your estimate is—exclusive of the outside service—you have done twenty?—A. Involving transfer, probably no more.

Q. And there are probably five hundred such units?—A. Large and small. Some of them may only have a dozen people.

Q. You have given us some small ones?—A. Yes. That is true.

Q. At the same rate of progress you would get the whole thing done in two hundred years?—A. That probably is so, at that rate. It is a question of simple mathematics.

By Mr. Vallance:

Q. How many of a staff have you?—A. I have six investigators.

By Mr. Ernst:

Q. Now, how many of those reorganizations that you did do effected economies in the public expenditure?—A. Well, offhand, I would say that any of them where there were changes in procedure effected economy.

Q. That is, they reduced the cost?—A. Yes, either in personnel or in the manner of doing things.

Q. I wonder, Mr. Putman,—this is rather a difficult question to ask you offhand—could you give that information to the Committee in the form of a statement, a written statement, if you have time to prepare it over the Easter recess?—A. I think, probably, I could get quite a comprehensive statement.

Q. As to what economies were effected in the various reorganizations?—A. Yes. I have some figures here regarding some work we did in 1925—Post Office, postal note division, $13,000 saved. Now, I cannot tell you whether this was staff, or method, from my notes. The Savings Bank Branch, $9,000.

Q. Perhaps you would save those figures until you could give us more comprehensive figures. Tell me what they really mean in the statement you submit—as to what savings you did effect in each system, and whether it is a reduction of personnel or not.

Mr. BOWMAN: Or perhaps an increase in personnel.

By Mr. Ernst:

Q. Yes. I am going to ask for that next?—A. That means quite a statement.

Q. You have a week or so to do it in. The Organization Branch should not mind that. You can tell me whether it resulted in increased costs to the country? —A. Yes.

Q. You talked about not having co-operation from the departments at times. Can you give any specific instance to this Committee over the period you have been in charge of the Organization Branch. I do not want a general statement, unless you have something to support it with?—A. Yes. One thing: we have tried to put a mechanical system into the Statistical branch of the department of Customs, and they just simply will not have anything to do with it.

Mr. BOWMAN: Why?

By Mr. Ernst:

Q. Do you know the reason why they will not have anything to do with it?—A. I do not know what their reason is, but I have an idea what it is.

Q. Perhaps, you had better get the reason. Can you give me any other specific instances?—A. I do not recall any at just the moment.

Q. Will you agree with me, Mr. Putman, that what you have given us—the instances of your efforts at re-organization and the actual re-organization work done under the Act—that if there is ever to be any complete reorganization of government departments, there must be more driving force behind the Organization Branch?—A. Yes. That is exactly—

Q. There must be more impetus given to your efforts?—A. Right. I agree with that.

Q. How many investigators have you on your staff?—A. Six.

Q. And then you have secretaries—a stenographic staff in addition to that? —A. Yes.

Q. Do you do your own drafting?—A. I have one draftsman.

Q. When did you draw up the qualifications—you prepare the qualifications, standard qualifications—for investigators grade 1, 2 and 3?—A. Yes.

Q. You do that yourself?—A. Yes.

Q. When were those prepared?—A. I think the latest ones were prepared—

Q. The ones which you have filed with us?—A. In 1929 and 1930. I will not be exactly sure which. They were prepared at the time the change was made. The original classes were junior investigator and assistant chief of the Organization Branch. It has now been changed to Investigator, grades 1, 2 and 3.

Q. I read one of the qualifications laid down in 1929, or 1930:

> Qualifications for Investigator, Organization Branch, Grade 3: Education equivalent to graduation from a university of recognized standing; at least four years of business experience, one year of which shall have been in investigational work; knowledge of routine and technique of making business investigations; supervisory experience; initiative, tact and good judgment; good address.?—

A. Yes.

Q. Now I take, at random, page 2, an investigator who was appointed on April 1, 1930—W. B. Cole—as the result of a comparative examination. His educational qualifications I cannot find; at any rate, not graduation from the university?—A. You say he was appointed from April 1, 1930?

Q. Yes. Investigator, Organization Branch, grade 3, from April 1, 1930? —A. Yes.

Q. That is investigator grade 3?—A. Yes.

Q. Now, I see "experience." Apparently, he does not fill the qualifications which you yourself laid down?—A. No. Mr. Cole has been on the investigational staff since 1918.

Q. I know that; but I am asking you—apparently he does not fill the qualifications which you yourself laid down for investigator, grade 3?—A. That is perfectly true, but the qualifications I laid down are for original entrance and are not rigidly adhered to, as far as promotion is concerned.

Q. I want to see how far you can go in dealing with your own staff. You lay down certain qualifications. Will you look at Mr. Cole's qualifications and tell me if he complies?—A. He does not comply with the educational qualifications.

Q. So you made an exception, because he had been on the staff?—A. Yes.

Q. I am trying to see how far you adhere to your own rules, because, to my mind, the Commission should be, like Caesar's wife, above suspicion.

The CHAIRMAN: It is the old story of those who are in trying to keep others from getting in.

By Mr. Ernst:

Q. Yes. You quite see that your qualifications become worthless?—A. Yes; but if we were to take a man from the outside to-day—as you will see if you look at the two junior investigators we got last year—they comply completely with the qualifications set forth.

Q. That is not what I have asked you. I was going to take another one—Mr. Boutin?—A. Yes.

Q. Apparently he is not a graduate of any university?—A. No.

Q. And he was appointed as an investigator, grade 3, apparently on April 1, 1929?—A. No. I think not until April 1, 1930, was he appointed to grade 3. He came in, by transfer, to the Civil Service Commission, April 1, 1929, as an investigator. At that time we wanted a man who had had accounting experience, and he was an accountant.

Q. Then why do you lay down qualifications. This man was not appointed on a competitive examination, apparently—yes, he was—upon a competitive examination. I assume that anyone in Canada who applied for that position would believe that you were carrying out your own qualifications to the letter when you said that the applicant must be a graduate of a university of recognized standing?—A. He was not brought in under the duties and qualifications as laid down for investigator, grade 3.

Q. You have it on the list which you gave us: "as the result of open competitive examination"?—A. Yes, but not to this identical class. He was not appointed to this class. He was appointed as an investigator, not as an investigator, grade 3.

Q. In 1929 he was simply made an investigator?—A. Yes, right.

Q. I am wondering how you made him an investigator, grade 3, if he does not fill the qualifications; you promoted him?—A. Right.

The CHAIRMAN: Once he has his foot in, they promote him.

By Mr. Ernst:

Q. My point is this, that you are not living up to your own regulations; that is the point?—A. As regards original entrance, we are.

Q. Original entrance to grade 3. Grade 3 is not grade 1?—A. No, but by promotion. The qualification requirements are not as rigidly adhered to under the Civil Service Act, when it is for promotion.

Q. But why lay down the qualifications—maybe the qualifications are unreasonable—I am not suggesting that they are reasonable—why lay down qualifications, if you do not live up to them?—A. Maybe the solution is that we should have two sets of qualifications, one for promotion and one for original entrance. It is not an unusual thing. The same thing will happen in business concerns outside.

Q. I am not suggesting it is an unusual thing. I am asking you. For instance, take Mr. Boutin. I do not know what grade he went in on April 1, 1929. You do not say that. I assume he went in as investigator, grade 3. I will read what it says:

> Investigator, Organization branch, grade 3, appointed February, 1919, on authority of the Minister of Naval Service.

He comes in without competitive examination?—A. Originally his appointment to the service—

Q. He enters without competitive examination?—A. Yes.

Q. That, to start with, is a violation of the Civil Service Act?—A. Yes. It was not then.

Q. It is to-day?—A. Yes. To-day.

Q. "Transfer and appointment to Civil Service Commission April 1, 1929, as result of open competitive examination?"—A. Yes.

Q. "Transfer and appointment," I take that to mean as investigator, grade 3?—A. It happens that it was not grade 3; it was to the position of investigator.

Q. Then, by the back door method, you made him investigator, in 1929, and, in 1930, you promote him to grade 3?—A. There was nothing back door about it.

Q. You could not have got him in as investigator grade 3, in the first instance?—A. At the time he was brought in, there was not a class investigator, grade 3.

Q. I wish you would give us the exact date that these qualifications were brought in?—A. I will.

Q. When it says in the case of Mr. Boutin, "appointed, February, 1919, on authority of the Minister of Naval Service," would his appointment be temporary or permanent?—A. I think it was permanent to the outside service.

Q. Permanent to the outside service?—A. Yes.

Mr. CHEVRIER: May I interrupt for a moment, Mr. Chairman. The special committee on Bill No. 5 has been sitting since 11 o'clock and it is a very important meeting and I am a member of that Committee. With the leave of this Committee, I would like to attend for an hour, and I would not like the witness, or the other witnesses, to think that I was disrespectful, or discourteous, in asking leave to go away for an hour.

The CHAIRMAN: One of the unfortunate things about being a member of Parliament, Mr. Chevrier, is that we are expected to divide ourselves in half frequently.

By Mr. Ernst:

Q. Do you know whether he has been temporary or permanent?—A. He has been with the Commission since 1929.

Q. Appointed, February, 1919, on the authority of the Minister of Naval Service; appointed to what?—A. To the Department of National Defence.

Q. He only came to you in 1929?—A. 1929, that is right. He applied for the position of investigator which was advertised in 1929, and, as the result of that examination, being in the service, it was a promotion and transfer.

Q. And one year later he becomes grade 3?—A. Yes.

The CHAIRMAN: By promotion, not having the qualifications.

By Mr. Ernst:

Q. He could not have come in under the present qualifications to grade 3?—A. No.

Mr. LAURIN: It is easier by promotion than by qualification by examination.

Mr. ERNST: It opens the door.

By the Chairman:

Q. Promotion, like emergency and temporary appointments, are the means of circumventing the popular idea that always the man with the highest qualifications gets every position in the Civil Service?—A. The Civil Service Act, of course, is such that, if possible, you should fill a position by promotion.

By Mr. Ernst:

Q. Surely, it must mean if the man possesses the qualifications?—A. The very fact that a man has been working for a number of years in that particular kind of work, should, at least, give him the advantage of ability over a person from outside.

Q. Why not make it so that the public know what it is?

By the Chairman:

Q. In spite of the evidence we had here already that previous experience in temporary appointments is of no advantage?—A. This is not temporary; this is permanent.

Q. It was work in another capacity?

Mr. MacInnis: It was work of an altogether different nature, was it not?

Mr. Ernst: A much higher grade.

Mr. Bowman: A much higher salary.

Mr. MacInnis: Than his previous work?

Mr. Bowman: Certainly. If he is grade 1, and gets into 3, he gets a higher salary.

Mr. MacInnis: I know he had a lower salary before.

Mr. Ernst: It rather alarms me to see these gross inconsistencies in the inner workings of the Commission itself.

By Mr. MacInnis:

Q. How is promotion defined by the Act?—A. I have not got a copy here. It seems to be stretched.

The Chairman: Section 49, regarding promotions, reads as follows:—"Promotion is a change from one class to another class with a higher maximum compensation. . . ." That is really the only definition.

Mr. MacInnis: This is a change not only from one class to another class but from one department to another department. This is a transfer as well as a promotion.

The Witness: Yes. This particular instance was of that nature.

By Mr. MacInnis:

Q. Is that a general thing in the service?—A. It is not an unusual thing.

By Mr. Ernst:

Q. I hope you will not find it to be too usual, because I can quite see that it opens the door to grave abuses. Applying the same principle, if I am running the department of National Defence, and if I want to get John Jones in as a clerk in some high position, clerk grade 4—that is one of the high grades, is it not?—A. Yes.

Q. All I have to do, under your method—I know perfectly well he can not qualify as a clerk, grade 4—all I have to do is to get him in as grade 1, where he can qualify, and promote him, as you did, in the case of Boutin, in 1930; that is right, is it not?—A. I do not think that would be possible.

Q. Why not?

By the Chairman:

Q. Wouldn't it be possible?

By Mr. Ernst:

Q. You have done it yourself.—A. Well, I am afraid, when I say that it would not be possible, I have not got the first part of your question.

Q. I will simply repeat the question for you. I am a Minister--I do not care of which department—and I have John Jones' earmark, I would like to bring him in. He does not possess the qualifications for the position in which I want to put him and I, by one means or another, open a lower position, I have the power of dismissal, theoretically?—A. Yes, sir.

Q. John Jones is a returned soldier, and it is likely he would head the list for grade 1 clerk, and then, by having a good report of him, he is promoted to clerk grade 4, for which he originally did not have the qualifications?—A. Well, he would have to qualify first as to grade 2, to get the promotion to grade 2.

Q. But he does not qualify. I am taking a concrete case of Mr. Boutin, where he does not qualify and you promote him.—A. My knowledge of the promotion procedure is not very detailed, but I think he has to qualify for grade 2, before he can be promoted to grade 2.

Q. I do not care if you bring him in as grade 3, or grade 2, but knowing that he cannot qualify as grade 2, I bring him in as grade 1, and then I promote him. That is what happens?—A. Yes.

Q. Then what becomes of your competitive system?—A. The position is thrown open to competition in the department.

Mr. ERNST: That is surely not competition.

The CHAIRMAN: Bring us the file in connection with that appointment, all the files, till we see now what the open competition was. If you do not mind, take them to Mr. Ernst and let him have them.

By Mr. Ernst:

Q. I do not know Mr. Boutin. He may be the ablest man in the world, and may thoroughly deserve his position, but what I am pointing out is the weakness in your system, or the fact that you do not apply your system, and, in that way, throw the doors open to abuse in your own organization.

By Mr. Vallance:

Q. Mr. Putman, in the case of this same individual, Boutin, when he got promotion, did you also advertise the position publicly so that others could come in under the competitive system for examination?—A. No, not outside the Civil Service Commission itself.

Q. So that it is possible to permit a man to fill a position without publicly advertising the vacancy?—A. Oh, my, yes. It could be advertised only in the Department.

Q. Was that the reason why Mr. Boutin got this?—A. Yes.

By the Chairman:

Q. And when you were talking about him getting in, as the result of open competition, you mean open competition shut except to those in the Civil Service Commission?—A. Mr. Boutin's case is rather different from that in that, in 1929, we advertised for open competition a position of investigator. Mr. Boutin applied for that position, wrote the examination, but because he was already a civil servant he was transferred—

Q. Was that a written examination?—A. Yes, sir, it was written and oral.

Mr. ERNST: That was a beautiful means of getting an unqualified man the post.

The WITNESS: I will not admit that, in this instance, it was.

Mr. ERNST: I am talking of the principle. I am only using it as an illustration, a beautiful method of how you get around the rules.

By Mr. Bowman:

Q. You mentioned several times, Mr. Putman, about reorganization in the department of the Interior during the last four years?—A. Yes.

Q. Did this reorganization mean a reduction in the personnel of the department?—A. In very many instances they happened because of reduction in personnel.

Q. Amongst the information which was asked for a little while ago, will you give particulars of that too.—A. Yes.

Q. My recollection is that the personnel of the department of the Interior increased, instead of decreased, the last couple of years. If I am wrong in that you can correct me.—A. I think in some instances you are wrong, Mr. Bowman.

Q. While you are giving those figures with respect to the department of the Interior, will you give the figures showing decreases or increases in staff, say since 1925?—A. I will endeavour to get that.

Q. You were also to give particulars with respect to the Grain Commission. Did you get those, Mr. Putman?—A. I think it was Mr. Bland who was to get those.

The CHAIRMAN: I have some things I want to ask when you are through, Mr. Bowman.

By Mr. Bowman:

Q. In your opinion, after all those years of experience, there is now very substantial room for reorganization of the different governmental departments? —A. I think so.

Q. A reorganization which would save the country very substantial sums of money?—A. I think so.

Q. And you have given specific instances where reorganization would be of benefit?—A. Yes.

Q. And would entail a saving?—A. Yes.

Q. You mentioned one instance, yesterday, about the Post Office department?—A. Yes, district superintendents' offices.

Q. Yes, where you made the suggestion that postmasters at different points throughout the country might act as district superintendents?—A. Yes.

Q. I have a letter here, making the same suggestion, in which it is estimated that possibly $100,000, annually, might be saved by following that suggestion of yours.—A. I said at least $50,000, possibly $100,000.

Q. Yes. Have you made any estimate as to what might be saved the country in respect to following your suggestion of amalgamating, or merging, the different engineering services of the departments of the government?—A. I have made no estimate of it at all.

Q. But you are of the opinion that, in that instance, there would be a very substantial saving annually?—A. Yes, in overhead particularly.

Q. Yes, and you mentioned the fact that you had a fairly small staff yourself, of six?—A. Yes.

Q. It would really be impossible for a staff of that size to undertake a general reorganization of the governmental departments?—A. Exactly. I have always looked upon it as if we were the family practitioner, and when we want an operation, why we call in specialists.

Q. It would really be necessary for you, as you say, to call in outside help? —A. Yes, and to have an appropriation which we could use for that particular work.

By the Chairman:

Q. Has that been done from time to time?—A. At the time the department of Public Printing and Stationery was reorganized, there was an expenditure in

1921, I think, of some $177,000. Well, that included the employment of specialists, and the cost of making the changes, in the Printing Bureau itself. That reorganization resulted in the saving of some $500,000 annually. Well, in ten years that is $5,000,000.

By Mr. Bowman:

Q. And would you say that now there was need of reorganization, no matter whether it be done by your body, or by the Treasury Board, as suggested by Mr. Ernst?—A. I think so, yes.

By Mr. Laurin:

Q. I suppose you have made those suggestions very often to the departments?—A. We have made suggestions, through our annual reports, on very many occasions.

Q. I mean to the departments?—A. To some of them.

Q. To which departments?

By Mr. MacInnis:

Q. Is your branch competent to carry out the reorganization?

By Mr. Laurin:

Q. I wish to know to which department you have made those suggestions? —A. Well, we have made certain suggestions to various departments in which the work might be carried on, but for such a thing as the engineering services, as I have suggested, it is something affecting twelve or fifteen departments, so that it has been a general suggestion.

Q. To save money, Mr. Putman, take the case of a post office or a postmaster. In this proceeding, I understand that you would take a man from the Post Office department to investigate?—A. We have never used any departmental officials for any of the organization or investigational work.

Q. Suppose a man there should investigate, is he supposed to be paid by the department, or the Civil Service Commission?—A. All of our investigators are paid by the Civil Service Commission.

By Mr. Ernst:

Q. You realize that with your organization work, with your staff, where it was under the control of the Treasury Board, there would be greater incentive and greater opportunity for your organization; I am dealing with your organization work, as far as reorganization alone is concerned. You agree with me you would probably get better results?—A. Probably you might get better results, but I do not know whether it would be continuous. That is where I see the big difficulty is.

Q. It would be continued as the policy of the department, I mean, under the control of the Treasury Board?—A. I understand.

Q. As long as the personnel remained constant?—A. True.

By Mr. Bowman:

Q. Is there not something that you could suggest where you would have a combination of the two? You have admitted to Mr. Ernst that there should be some more driving power behind the reorganization. You have certainly got to have the co-operation of the department. You have got to have the driving power as well as the desire on the part of your organization to do this work. Those things are all necessary, are they not?—A. Yes, I have not thought of any middle course.

By Mr. Ernst:

A. Assuming you have not the co-operation of the department, under your present status, and you are sent in—I do not care whether it is by order-in-council—I do not see any great success with that, because when you reorganize a department your report is sent by your branch to the Commission and from the Commission it has to go through the very minister whose department you have been in and then back to the Governor General in Council?—A. I think in the case of the reorganizations that were carried on in 1920-21, the reports all went through the Secretary of State and not through the minister of the department.

Q. At any rate, you have no minister in council who is a spokesman for you?—A. No.

Q. Which makes it improbable that you will get results, if the particular Minister concerned is hostile to you, as a matter of practice?—A. That is probably true.

Q. Whereas, if the Treasury Board sent you in, in the first place, you would be far more likely to get results?—A. Right.

Q. Your chief objection to the Treasury Board is the question of classification and salaries?—A. Yes, and continuity of policy.

Q. Yes, and continuity of policy?—A. Yes.

Q. I cannot say that that phrase impresses me unduly, Mr. Putman. You also object to the fact that salaries and reclassification come under that division?—A. Yes.

Q. How long before you would be likely to make, in the ordinary course of events, a reclassification?—A. It is going on all the time.

Q. You have made a thorough reclassification of all branches of the service, have you not?

Mr. BOWMAN: 1920-21?

The WITNESS: 1919-20 was the last complete reclassification.

By Mr. Ernst:

Q. Since then it has been only partial?—A. Since then it has been partial, and there have been reviews of many units, but no complete review.

By the Chairman:

Q. Mr. Putman, we have had handed to us here charts of all the departments coming under the Civil Service Commission, dated March 1, 1932, organization chart of the permanent staff. Does that come from your Branch?—A. Yes.

Q. Dated March 1, 1932? I take from that, and from the dates on the different sheets, that that indicates that it was a true chart as of that date?—A. As a matter of fact, those were compiled very hurriedly, after the request of the Committee.

Q. Well, they must have been compiled from records available in the files of the Civil Service Commission.—A. Mostly. In some instances, we had to go to the department, to get detailed information.

Q. Take this one, organization chart of the permanent staff of the House of Commons. I am taking one we happen to be a bit familiar with. Was that information obtained from your Branch?—A. That information was obtained by myself in 1929, or 1930, from the Clerk of the House of Commons.

Q. And it has not been revised since then?—A. It has not been revised since then.

Q. Well, then, I would suggest that, if these things are to be useful to this Committee, they either be brought up to date or, instead of March 1, 1932,

being on them, they ought to be dated as when compiled, because, in going over this list, I find some men on it who are dead, some who have been superannuated, others promoted, and some who have retired, and I have had picked out here about fifteen errors, in this one sheet.—A. That is perfectly possible, because it has not been revised since 1929, or 1930.

Q. Then there is not then on file at the Civil Service Commission apparently, in respect of some Departments, up to date schedules of who are employed and what positions they are in?—A. Yes, there are position lists, but not charts.

Q. Well, if there are position lists for this Department, would not that indicate it? For example, here we have, in the Serjeant at Arms Branch, the position of Chief, Protective Staff, shewn as vacant. Ever since I have been down here, as a member, I have been looking at a very hand-some looking gentleman, I think his name is Laundy.—A. He has never been appointed permanent by the Civil Service Commission.

Q. Does he draw any pay? I imagine he is not working for the good of his health.—A. I do not know, but I do not think he has ever been appointed under the Civil Service Act.

Q. Would it be possible, without too great a job, to get us a chart which is accurate?—A. I can get you any of those charts brought up to date, if given a couple of days. Is it just the House of Commons you would like to have?

Q. No. What is the use of bringing in, and filing before this Committee, charts of all the different departments of government dated March 1, 1932, on which we are going to rely for observation and information, and which are not accurate, as of that date?—A. Mr. Chairman, it would take several months.

Q. To make them accurate?—A. It would take several months.

Q. Then we might as well forget about it, except it is a chart of what the positions were at some time or other.—A. They show the general set-up of departments, but cannot be taken as now accurate.

By Mr. Bowman:

Q. As a matter of fact, Mr. Putman, is that not one of the difficulties of your Branch, that you have not enough staff to bring this work up to date?—A. Well, I certainly could use a good deal more staff than I have, to keep just the ordinary things up to date.

Q. Quite true, and as a matter of organization, the staff you have there, in comparison to the amount of work that has now to be done, is really itself incapable of doing the work, is it not?

The CHAIRMAN: Oh, it is impossible with that staff.

By Mr. Bowman:

Q. Is that correct, Mr. Putman?—A. Yes, impossible, certainly.

By the Chairman:

Q. Your Branch, which is the efficiency department of the whole civil service, apparently is most handicapped for staff?—A. Well, we have been able to do the ordinary things that we have had to do, from day to day, but when a big job has come up, why we have worked nights and got it done as best we could.

Q. And to be thoroughly efficient, you ought to be doing the bigger ones? —A. Yes.

Q. I know this subject matter may be delicate, but then you are the efficiency man of the government and you are a gentleman with qualifications, and I am afraid we are going to have to ask you to deal with it. Let us start right at home. What about the Civil Service Commission, and the employees of

that Department? Have you any views as to whether that could be more economically administered, and whether there should be reorganization, and changes in it?—A. The staff itself?

Q. Yes Leaving aside the Civil Service Commissioners,—dealing with the staff of the Civil Service Commission?—A. Well, as I pointed out, in 1930 we made a very careful and extensive study of both the staff and procedure, and I would say that I cannot see that there can be very many changes made and still do the work that we are doing.

Q. I see the cost of the Commission has been mounting at a terrific rate. In 1918, it was $31,280. In 1931 it was $280,000, an increase of something over 300 per cent in salaries alone. And then I see you cut your salary list down a bit by, apparently, dispensing with some of your temporary employees in the last year, because the estimate, for 1932, is $270,000.—A. Yes. All of these times a very considerable temporary staff was carried.

Q. Yes, I see that. You originally had ten temporary employees, in 1918. Their salaries, gross, amounted to $907.07, and in 1921 they came up to $35,532.97?—A. Yes.

Q. However, in spite of that enormous increase in the cost of the Civil Service Commission administration in that time, not dealing with advertising and all the other matters, that is one Department which you think, on its present basis, is efficiently organized?—A. I am satisfied that it is.

Q. Then I would like to find out something else from you, Mr. Putman. What work is actually done by the Civil Service Commissioners, other than the matter of reports of the different examiners and so forth, going to each one of them in turn, as outlined by Mr. Bland, and other than their semi-weekly meeting, in which the three of them convene, in respect of matters which they deem of sufficient importance to discuss among themselves, discuss in conference, I should say?—A. Must I answer that question, Mr. Chairman?

Q. Yes, I would like you to. Who am I to get it from? You are the efficiency man of the government.—A. All questions of policy are determined by the Commissioners.

Q. They have a semi-weekly conference, so we are informed?—A Yes.

Q. By policy, what is covered by that? You mean by that as to whether they will force some organization on a Department that you are recommending? —A. No, I was thinking of various things which come before the Commissioners in which there is something new, and a new policy must be outlined for handling it.

Q. Yes.—A. The volume of the ordinary matters which go before the Commissioners is tremendous.

Q. Well, now, let us have an instance of it.—A. Hundreds and hundreds of files go to the Commissioners every day.

Q. Oh, yes, but that is in respect of appointments or promotions?—A. Organization matters, classification matters. I have myself taken as many as 100 separate cases to the Secretary for transmission to the Commissioners, and all changes in classification.

Q. In which you are recommending changes in classification?—A. Either changes or not.

Q. And have you found, in many cases, the Commission disagree with your views?—A. There are some cases.

Q. Have you found many cases?—A. Not a great number of cases.

Q. What percentage would you say, five per cent., two per cent., ten per cent?—A. Oh, my, no. I should say it is less than one per cent.

Q. So that in ninety-nine per cent—— —A. Yes, I think more than that. It is the very, very exceptional case.

Q. In almost all cases the Commission have acted on, or approved of, your recommendations as to classification and so forth?—A. Yes.

Q. And we find, from Mr. Bland, that in 90 per cent of the cases of appointment and promotions——

Mr. BOWMAN: More than 90 per cent. He did not know of any instance where the Commission over-ruled.

By the Chairman:

Q. They approved of his recommendations or the recommendations coming through the examination branch, for appointments and promotions and so forth? —A. Yes.

Q. Now, all that, therefore, would appear to be more or less routine?

Mr. BOWMAN: When it got to the Commission.

The WITNESS: I would not say that, because there is vested in the Commissioners the only authority there is for making changes.

By the Chairman:

Q. Quite so, but if their minds are always apparently *ad idem,* and in agreement with you then it does not look as though there is much room for discussion. People who agree seldom discuss, particularly when it is agreeing on your recommendation or the examination branch recommendation. I am not suggesting there is anything wrong in it, I am trying to get at facts.

Mr. BOWMAN: I think, Mr. Chairman, that is pretty clear.

By the Chairman:

Q. Are there any other duties which they perform, other than these hundreds of files which you take to them when you recommend some reclassification or reorganization and the matter of these files going around in a circle from one to the other and they put their initials on them, if they approve of the recommendation for appointment, or promotion, as the case may be? What other duties do they, as individuals perform, or is that the summary of their duties? —A. Well, they perform all of the duties as laid down under the Civil Service Act for them to do, and there are quite a considerable number of them.

Q. I can take it then, that the sum total of their duties are what has been outlined, plus whatever they have done under the provisions of the Civil Service Act?—A. Yes.

Q. And that all comes under section 4. Now, I think you told us of several of those Investigators in your branch?—A. Yes.

Q. And those Investigators, I judge from what you said in answer to Mr. Bowman and to Mr. Ernst this morning, are gentlemen whose duties are to go into departments—A. And ascertain facts.

Q. Look over their staff and personnel and ascertain facts with a view to determining reorganization of the department for efficiency, or economy, or any other good reason?—A. Or classification or salary.

Q. And then these Investigators, or one of them, brings back a report to you and the matter is then for your judgment and consideration as to what steps should be taken in respect to it?—A. Yes.

Q. Now, do those Investigators perform any other duties?—A. I have the departments roughly divided amongst the various Investigators and they look after all the positions that come in from the departments and generally supervise the departments.

Q. What I have in mind is this: supposing a complaint comes in that John Jones, who is a civil servant, employed in the Customs department in Toronto, got uproariously drunk and created a disturbance on January the 1st, and failed to show up for work on January the 2nd, is it one of your Investigators who looks into that?—A. We have nothing to do with matters of discipline. That is entirely up to the department.

Q. That is done through their own investigators?—A. I presume so, but that is a pure matter of discipline.

Q. Frankly, the reason I am trying to find out is I have learned of some remarkable things being done by Investigators and I was wondering if your staff did it, and when I hear of an Investigator making an investigation of something done, or not done by some civil servant, that has no relation to those Investigators that are under you?—A. Not a bit.

Q. That Investigator is some departmental official?—A. Right. There are investigators in Pensions and National Health who investigate all sorts of things and persons in connection with pensions.

Q. I asked you yesterday, or rather suggested to you yesterday, that I was going to ask you a question, something I would like you to take up. In view of the fact that the Organization Branch is apparently more familiar with the detailed requirements of all departments than any other branch of the Civil Service Commission and in view of the further fact that the Assignment Branch has apparently little before it, other than an eligible list, would it not be better if appointments to the Civil Service, when requisitions are made, be recommended by the Organization Branch rather than the Assignment Branch?—A. Well, frankly, Mr. Chairman, I would not want to be bothered with it, because it is such a routine matter appointing from the top of an eligible list. We are supposed to assign the first person. Now, the Assignment Branch can do that just as well as we can, and when it is an appointment with special qualifications, usually it is in technical positions where they hold an examination and only probably one or two men are certified—

Q. Mr. Putman, let me put to you this hypothetical case: A department wants a clerk grade 1 or 2. They say we want a clerk grade 2. The Assignment Branch has no knowledge of the purpose for which that man is to be used. You, with your knowledge of the department, know that probably his job will be answering routine correspondence. The clerk who may be top man of that eligible list barely got through his examination, on literature, we will say, if there was any literature paper, or grammar or things of that kind, spelling; and yet a chap may be assigned who had very poor marks on those subjects and yet had 100 in mathematics; and the same situation might occur *vice versa;* you are trying to fit a square plug into a round hole. Would that not be obviated, if assignments were made by your Branch and if you were not obliged automatically to take the first person on that list?—A. No, I think it is the other side of the picture that you should consider, Mr. Chairman; that it is the examiner's job to examine application forms and do everything in connection with the examination, and that it is not the qualifications that the department wants so much as picking the man to fit those qualifications, and it is the examiner's job to do that.

Q. There is an eligible list established a month or two months or four months ahead?—A. True.

By Mr. Ernst:

Q. One deals with positions, and the other branch deals with individuals—two different things?—A. When the requisition comes in, the department will usually tell us, if they want special qualifications, they will note it on the requisition.

By the Chairman:

Q. Do not go into special qualifications; take an ordinary clerk, a simple case. The department requests a clerk grade 2, and you have an eligible list, and from your knowledge, as an efficiency man, you know that the job that that man is going to perform, in the main, is answering correspondence?—A. Yes.

That is a special qualification for a clerk grade 1, if I am looking at it that way. Now, we have to take over an eligible list. Your suggestion would be that we choose from the eligible list a man who has got those qualifications. Is not that the examiner's job? After we tell the examiners what that man should possess in the way of qualifications, it seems to me that is the examiner's job.

Q. You suggest that instead of these assignments being made by the Assignment Branch, that when the requisitions come in they should really go to the Examination Branch and the Examiners should do that?—A. If there is something special in connection with it; and, as a matter of fact, I think that is the way the thing is handled now.

Q. That is, when it comes to the Assignment Branch then they do not automatically assign the first man on the eligible list?—A. No. I think there are times when they do not; especially if a man must be bilingual.

Q. No, no, leave aside extraordinary things. Some witness before this Committee solemnly said that in every case they automatically assigned the highest man on the list?—A. I do not know. You will have to ask Mr. Bland about that. I do not know enough about that.

By Mr. MacInnis:

Q. Do not you think to do it in the other way would be to strike at the principle of the Civil Service Act itself?—A. No. Because—

Q. If, when making your first appointment, you do not appoint the man who has the highest marks—the highest aggregate marks regardless of what his mark on any particular subject may be—then you are not choosing by competitive examination.

Mr. ERNST: You are giving to the Assignment Branch the functions of the Commission itself.

Mr. MACINNIS: Yes. I cannot agree with the Chairman, if there is anything at all in his contention.

The CHAIRMAN: I am not making a contention. There has been suggested to me by one who has been for years connected with the Civil Service administration that there might be greater efficiency.

Mr. ERNST: In spite of particular instances, I doubt it.

The CHAIRMAN: I am merely trying to find out.

The WITNESS: I think—may I say this, that if there is to be any selection, the selection should be made by the examiner rather than—

The CHAIRMAN: And not by your Branch?

The WITNESS: Yes.

The CHAIRMAN: You have no views on the matter.

By Mr. MacInnis:

Q. I would like to go back to reorganization again. In the matter of organization, I have the wording of the Act, section 9, part II. It puts the onus on the Commission for organization. I will read to you two lines: "The Commission shall, after consulting with the several deputy heads, the heads of branches and other chief officers, prepare plans for the organization of each department and of each branch or portion of the civil service...." Now, I take it that all that is required here is that the Commission decides that the Department should be organized. You are sent in and you consult with the head of the Department, and after taking into consideration what he may have to say, regardless of whether you agree with him or not, then you make your plans, as you say in sub-section 2 of section 9, which implies that the plans will be prepared: "As soon as the plan of organization is completed for any

branch or portion of the Civil Service, such plan of organization shall be submitted for approval of the Governor in Council." Now, I asked a little while ago, if your Branch is competent to carry out a general reorganization such as you suggest?—A. I think we have the nucleus of the staff to carry out that work. It has to be carried out under some general direction, and the Organization Branch is the portion of the Civil Service Commission, under the Civil Service Act, to do that work; but if we are going to do real reorganization work we would have to have quite a number of specialists to do special kinds of work.

Q. My particular question now is: Is your branch, as it is constituted now, capable of surveying a department and making recommendations to the Governor in Council?—A. Yes.

Q. You are?—A. Yes. There would be in some special departments the necessity of getting a specialist's knowledge about certain things, but on my staff I have two, three or four men who are well trained and competent to do that kind of work.

Q. Of course, you could get those special advisors in the ordinary course?—A. It is possible we could get those special advisors from the departments themselves.

Q. Is there any instance where you have prepared a plan of organization, submitted to the Governor in Council, where you did not have its approval?—A. Have the approval of the Governor in Council?

Q. Yes, the approval of the Governor in Council?—A. I do not remember any. There may be, but I do not remember.

Q. Now, I think possibly this may come under your jurisdiction. Do I understand that the retirement age in all departments is sixty-five?—A. That is the age at which a man may voluntarily retire—at sixty-five; but he may remain until seventy, or he may remain after seventy, if a special order-in-council is passed retaining his services from year to year, and passed prior to the date on which he would go out.

Q. He may retire voluntarily, or he must retire at the age of sixty-five?—A. Sixty-five.

By Mr. Ernst:

Q. He cannot be retired until seventy. It is purely voluntarily from sixty-five to seventy?—A. No. I do not think so.

Q. He can be retired at sixty-five?—A. I think so, Mr. Ernst. I think he may be retired.

By Mr. Vallance:

Q. Or he may be compelled, after sixty-five. Take the department of Interior?—A. "Retirement from the Civil Service shall be compulsory on every contributor to whom the superannuation or retirement allowment is offered."

By Mr. MacInnis:

Q. At what age?—A. Sixty-five, I presume. He can be kept until seventy. He may be kept until seventy without any special provision, but over seventy they must get an order-in-council.

Q. What is the section?—A. This is not the Civil Service Act; this is the Superannuation Act.

Q. Have you any opinion whether that age is rather prolonged, generally speaking?—A. My own personal opinion is that the age sixty-five, as far as men are concerned, in most cases, is all right; but I think it is too high for women. I am expressing only a personal opinion.

By Mr. Vallance:

Q. After a man is sixty-five, he may be retired say by the Minister, or the Deputy Minister?—A. I am not sure of that.

Q. We have instances of it?—A. I think that is so.

By Mr. Bowman:

Q. Now, you said you had thousands of requests for increased classifications?—A. Yes.

Q. That would take up very considerable time of your staff?—A. It does and it has. These last sixteen months we have not had so much.

Q. But prior to that?—A. Prior to that, three, four or five years prior to that, I should say we averaged at least one thousand a year.

By Mr. MacInnis:

Q. From whom would these requests come?—A. Deputy Ministers.

By Mr. Bowman:

Q. With what particular object?—A. Getting more money for their people.

Q. To please the employees?—A. In a great many instances it was warranted, and in some instances it was not.

Q. It was not warranted?—A. I should say that we—that the Commissioners—turned down as many cases as they approved—maybe more.

Q. The requests invariably are for higher classification?—A. No. There are some requests for downward revisions.

Q. Very rarely, I should say?—A. Yes. There are not many.

The CHAIRMAN: Gentlemen, I think this would be a convenient time to adjourn.

By Mr. Vallance:

Q. I would like to ask one question. Section 7 of the Act reads as follows, "the deputy head of a department shall, subject to the directions of the head of the department, oversee and direct the officers, clerks and employees of the department . . .". Now, I want to ask you this question, and I suppose you will be in a position to answer it: Does the appointment of the Deputy come under the Civil Service Commission?—A. No.

The CHAIRMAN: Gentlemen, in view of the fact that both Mr. Bland and Mr. Putman will be available from time to time, do you want Mr. Putman to continue at the next sitting, or will we hear the various Civil Service organizations who want to appear before us. Gentlemen, we will adjourn until Wednesday, March 30, when we will be very glad to hear representatives from the different civil servants' organizations who desire to make representations. I will ask the press to make special reference to that.

Mr. ERNST: Will these persons have their expenses paid?

The CHAIRMAN: No witnesses who come before this Committee are to be paid, unless they are subpoenaed.

The Committee adjourned to meet Wednesday, March 30, at 11 o'clock.

HOUSE OF COMMONS,

March 30, 1932.

The Select Special Committee to inquire into appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 3.30 p.m., Mr. Lawson presiding.

The CHAIRMAN: Gentlemen, I have a communication here from an association we have not heard from before, the Dominion Customs and Excise Officers' Association. They have asked to be heard. I am not sure of the relationship of all these civil servants' organizations. It looks a good deal to me like duplication, in a great many cases. What shall I do; shall I communicate with them and tell them we shall be glad to hear from them?

I think we are going to hear to-day from the President of the Civil Service Federation, Mr. V. C. Phelan.

Mr. V. C. PHELAN, called and sworn.

By the Chairman:

Q. Mr. Phelan, I believe that you are the president of the Civil Service Federation?—A. Yes, sir.

Q. Would you describe, briefly, to the Committee the nature of the organization known as the Civil Service Federation, and its relationship, if any, to all those other civil servants' organizations?—A. There are in existence, at the present time, something over forty organizations of civil servants. Of those, we have in the Civil Service Federation, or affiliated with the Civil Service Federation, thirty-seven. Our membership is composed of about 70 per cent of all civil servants who belong to any organization. The few who are not in the Civil Service Federation are the Amalgamated Civil Servants of Canada, the Professional Institute of the Civil Service, the United Postal Employees of Canada, and the Dominion Railway Mail Clerks' Federation. Now, apart from those four organizations, we have, in affiliation with our Federation, all others. I think those four cover all who are not with us.

Q. Mr. Phelan, is each individual civil servant a member of your organization by the payment of dues direct, or is yours an organization consisting of representatives of those different civil servant organizations?—A. The latter is the explanation, yes. We have no individual due-paying members in the Federation. I might say that the arrangement is this, that matters which affect a single class or possibly a single department, the individual organization seeks to look after them on its own account; matters which refer to all the civil service, or practically all, to large classes at any rate, the Federation as a whole endeavours to deal with them.

Q. We can take it that the representations you make here are made on behalf of all civil servant organizations, other than those four you have named? —A. Yes; and as a matter of fact, we have from time to time, conferred with those other organizations, and, with the possible exception of two or three minor points, they too concur in the representations we propose to make.

Q. Would you just go ahead, then?—A. Might I point out first, Mr. Chairman, for the information of the Committee, that when we speak of civil servants, we are referring to a class of people numbering about 45,000, who in the main, are relatively low paid. I use that term in the sense of—perhaps I should say, relatively, modestly paid. Some times I think there is an impression that civil servants are all high paid officials of the government when, as a matter of fact, the great majority are not. It can be recalled that there was a return tabled in the House not long ago, showing that only 803 persons in the public service received salaries of $4,000 or more, the balance of the 45,000, therefore, received less than $4,000. I have here a table which I might file with the Committee, if it is agreeable, showing the average wage per month for each civil servant from 1912 to 1931, showing that in 1931, the average salary was $127.47 per month. In other words, the average amount paid to civil servants in January, 1931, was, at that rate, about $1,525 per annum.

The policies which we wish to present to this Committee, Mr. Chairman—

By Mr. Bowman:

Q. Possibly I should not interrupt Mr. Phelan at the moment, but let him make his statement first, Mr. Chairman.

The CHAIRMAN: I do not think it makes any difference.

By Mr. Bowman:

Q. The average of $1,525 per year, per civil servant, what does that prove, Mr. Phelan?—A. Well, I submit—I just submitted that for information, as sometimes statements are made in different places, which might lead one to believe that all civil servants were highly paid employees—I just submitted figures to show that the average paid annually per civil servant is $1,525. That includes all classes of civil servants. You see that the average civil servant is not a highly paid person, but he is relatively in the lower salaried brackets.

Q. How is that based, on a full time class?—A. Those are full time civil servants. Some of them are seasonal. They are only paid for the month they are working. Those are full time civil servants.

Q. How many seasonal employees have you in the list?—A. Well, it is based on the figures which are published by the Bureau of Statistics each year, and the figure is taken for January of each year. There would not be many seasonal employees in the month of January.

Q. Would you give me an idea how that sum is arrived at, how you make it up?—A. Yes. Each department makes a return to the Dominion Bureau of Statistics.

Q. Never mind that. You can give the figures upon which you have based your final calculation?—A. The figure is, as shown at page 42 of this publication of the Bureau of Statistics, "Statistics of the Civil Service of Canada (numbers employed and expenditures, salaries by departments)" the figure in the month of January taken in each case, and the total number of permanent and temporary employees, which is shown as 45,167, is divided into the total amount paid for salaries and wages, which is shown as $5,757,554.

By Mr. Laurin:

Q. Are there any holidays in January?—A. There would not be many public holidays in January, no, apart from the 1st of January and the 6th, perhaps.

By the Chairman:

Q. Excuse me, you said the figures are based on January; is that January of this year?—A. No, January a year ago.

Q. January, 1931?—A. January, 1931, which is the last figure available.

By Mr. Bowman:

Q. In other words, you have taken this number 45,167 and divided it into $5,757,554, and arrived at your figure of $127.47 a month?—A. That is correct, sir.

Q. Personally, unless you have greater detail than that, I do not see that it signifies anything, because you have not there the proportion of the number of seasonal employees who are hired during those months.—A. That would not affect it.

Q. You might have one man working one day, or you might have 100 men working one day, or two days, and that would certainly cut down your final return.—A. Well then, in addition, I should mention that the classes to which you refer—those were purely casuals, or persons who maybe have a small job with the government for which they receive $50 or $100 a year, or something like that, such as postmasters in the smaller post offices, are not included in that figure.

Q. No; but charwomen here in this building would be included in that class?—A. I think not, unless they are regular employees. If they are just part time employees or something corresponding, they are not included.

Q. Do you know, Mr. Phelan, whether they are included or not?—A. I do not know, positively, but in discussing the matter some time ago with the official at the Bureau of Statistics who compiles this, I understood from him they are not included; but I just would not want to be too positive about it. This is only full-time employees, as I understand it.

Q. I think an important matter for this Committee is to find out whether or not the civil servants are relatively low-paid or not. That is really why you are here, is it not?—A. Well—

Q. One of the reasons you are here is to look after the interests of the civil servants—to see that they receive proper pay?—A. That is the point, yes, but I was not proposing to make any submissions on the question of salaries.

Q. You have made a submission.—A. Only as a matter of information. I was not coupling with it any suggestion, or request, to the Committee, or anything of that sort.

Q. You say, then, that civil servants are relatively low paid?—A. Yes.

Q. I, for one, would like to know whether that is so, or not.—A. I think those figures bear that out.

Q. No, I am sorry to say I cannot see that, at the present moment; unless you can give this Committee a little more definite information as to how your figures are made up, I do not think they prove anything.—A. Well, the figures are made up in this way: they have taken the employees of the different departments, whether permanent or temporary, or whether on prevailing rates or whether they are paid a stated annual salary. Now, the fact that a person may be seasonal, that he may work three months in a year, does not really enter into this; it is largely a matter of whether he was employed or not employed in the month of January.

Q. Quite so. That would include seasonal employees.—A. Well, if they are employed—

Q. During that month.—A. During that month, they are included; if not, they are excluded, therefore it would not upset the average, whether they are employed or not.

By Mr. Vallance:

Q. Is there any reason, Mr. Phelan, why you should take just the month of January?—A. Yes, because these figures were started back in, well, started about 1922, but the Bureau of Statistics took them back to 1912, and for the years 1912 to 1922 they only compiled the figures for the month of January,

thinking that that month would be about typical of the twelve months, and it was too late then to get the data for the earlier years for the other twelve months. Since that date, that is to say, since about 1922, they have published the figures for each of the twelve months, but when you come to make a comparison prior to 1922, you have to take the month of January, to have the figures comparable.

By Mr. Bowman:

Q. I think, Mr. Phelan, that a fair way to arrive at what the civil servants receive, that is the average wage, would be to take the permanent employees, and from that arrive at what annual salaries they receive, or the monthly salary— —A. Well, I think that would not be accurate, for this reason, that there are people, you know, employed in the government for upwards of thirty years, who are still temporary.

Q. I agree with that. But after all, those few temporary employees in the service of the government, would not affect the average to such a large amount. —A. They are not few, you know, there are some thousands of them who are temporary employees.

The CHAIRMAN: Thirteen thousand.

By Mr. Bowman:

Q. Those temporary employees should be figured as permanent employees, more or less. Put them in too.—A. I do not think you could compute the figures on that basis, because it is so hard to distinguish between them. They are either temporary or permanent, technically, and yet, on the one hand, you might have permanent employees who have been in the service one year, and you might have temporary employees who have been in the service twenty years. It seems, if you are going to figure the average salary, it is reasonable that a person in twenty years, whether temporary or permanent, should be included, whatever happens about the person in one year. That is the reason why both temporary and permanent were used in connection with this average. Now, this calculation does exclude some 20,000 persons on the government payroll in one capacity or another, but almost wholly on a part-time basis. For instance, there are certain groups of correspondents, or postmasters, or Labour Gazette correspondents, or people of that nature. They are not included in those figures at all, either as to numbers or salary.

Q. We do not know what is included in that figure.—A. Just the full-time employees.

Q. Oh, I did not understand you to say that.—A. Well, I meant to say that. You did mention one specific case only. You mentioned the case of charwomen. I just would not want to be too sure, because some of them are temporary or part time, and some are full time, I believe.

By the Chairman:

Q. Of course, those who are full time, work only two or three hours in the morning, and they get one dollar and some cents for that service. They are permanent employees, I imagine?—A. No, they are temporary employees.

Q. Those who just work in the morning cleaning the offices are temporary? —A. Temporary, though they may have been in the service—

Q. A great many years.—A. Yes, some have been in for 25 years; nevertheless they call them temporaries.

By Mr. Vallance:

Q. Mr. Phelan, you use the average of $1,500 per annum?—A. $1,525.

Q. Well, then, have you this information: are there more of the civil servants getting more than $1,525, or how many are below $1,525?—A. I think it is quite impossible to get that information.

Q. You can easily see how you can take ten individuals, three of them getting $10 a week and three of them say a dollar a week?—A. The tendency would be to have more below the average than above for this reason, that the salaries run as high as $15,000 in one or two cases, and those salaries are included in the figure named; but the minimum salary is around $60 a month, $720 a year, and I think you can see, mathematically, that the greater number would have to be below the average.

Q. You see, that is why I say that your $1,525 per annum does not paint the true picture to those who believe that the average civil servant is too highly paid, because of the fact that a great number of them are below the average?—A. That is quite true. We have been trying to get those figures you refer to. I understand the Bureau of Statistics was asked by the Beatty Commission to prepare some such figures. We have never seen them though,—that is, by salary groups.

Mr. BOWMAN: Yes.

By Mr. MacInnis:

Q. Is not there some indication given in the returns that were made to the House?—A. There was that one return showing people over $4,000. I do not remember any other returns.

By Mr. Bowman:

Q. I should think, Mr. Phelan, representing as you do almost 100 per cent of those different civil servants, that you could almost get that information through your own federation?—A. Oh, no, it would be a tremendous compilation.

Q. In order to present to the Committee a much better final estimate than you have given us to-day, certainly.—A. The only way anybody can get it is through the different departments. You would have to get each department to tell you how many people they had at each salary rating and then build the figures up from that, working the figures together.

Q. Sure.—A. There is no other way you could get them.

Q. I think it would give a much closer and better estimate, at least an understandable estimate, than just arriving at it in this way?—A. That is quite true.

By Mr. Vallance:

Q. And I think it would show up to better advantage for the civil servants themselves?—A. It would. We have spoken to the Bureau of Statistics about it, but they never had the figure, although as I say I believe they are now compiling it for the Beatty Commission—or they were to. Whether it was ever gone ahead with, I am not sure, but there isn't any figure available, anywhere, that we ever heard of, which would show that.

Mr. CHEVRIER: Mr. Chairman, there was a return asked for, of all civil servants earning more than $4,000 a year. If I am in order, may I move now that you ask for the production, from the proper authorities, of a statement giving the number of civil servants earning less than $4,000 a year, so that we may be able to compute for ourselves.

The CHAIRMAN: Does it meet with the pleasure of the Committee, now that we should ask for that information?

Mr. MACINNIS: If we are going to ask for information of that character had we not better ask for information that will really give us what we want that is, the number of employees, to-day, in the different categories?

The CHAIRMAN: What you really want is a statement of the number of permanent and temporary employees in each salary range.

Mr. CHEVRIER: If I am not interrupting, there are various classes of civil servants. Or, may I put it this way,—there is only one class of civil servants, but there are many classes of government employees, and probably we might, at a later date, thresh it out and get what the civil service has, within the meaning of the Act, and then the number of other government employees. We already have a return of all of the civil servants earning more than $1,000, but if we could get a return of all those so-called civil servants earning less than $4,000 a year, I mean the number of civil servants that get less than $4,000 a year, that would at least give us part of the information we require. Then there is another category, those who are not called civil servants but who, for the purposes of computation, ought to come in.

Mr. BLAND: We are preparing, for the Committee, a tabulated list of civil servants in permanent positions showing how many there are in each grade, and so forth, which I think will be of considerable value to you.

The CHAIRMAN: That covers everything except temporary employees.

Mr. BOWMAN: As long as we get a general picture of it.

The CHAIRMAN: Has that been filed?

Mr. BLAND: It is in course of preparation, Mr. Chairman.

By the Chairman:

Q. The Secretary of the Civil Service Commission told us that there were 35,000 civil servants of whom 22,00 were permanent and 13,000 temporary. I notice you said 45,000. Is that apparent discrepancy covered by the number of civil servants not under the jurisdiction of the Civil Service Commission?—A. Yes, not under the Civil Service Act. I presume that figure of 35,000 relates only to those under the Act.

Q. How accurate is your statement of 45,000?—A. That is shown by the Bureau of Statistics,—45,167 full-time employees as of January a year ago.

Mr. BOWMAN: While we are talking about that, Mr. Chairman, I have a memorandum here to ask some of the members of the Commission, or Mr. Bland, or some of the officials, to make a general return to us, in short form, so that we would have a bird's-eye view of the number of civil servants.

Mr. CHEVRIER: When you say "civil servants"—

Mr. BOWMAN: I know what you have in mind, Mr. Chevrier. In any event it would give us something upon which to go. I wanted to get information as to the total number of employees in the service divided into inside and outside and temporary and permanent positions.

The CHAIRMAN: I think the Organization Branch could probably give us that.

Mr. BLAND: That is practically available now.

The CHAIRMAN: Very well, Mr. Phelan, go ahead.

The WITNESS: I might say, Mr. Chairman, that we propose to submit to this Committee for its consideration certain suggestions which are based rather on an assumption of normal conditions. We realize, of course, that at the moment conditions are abnormal, and if any request or suggestion we might advance now were considered from an immediate point of view naturally we might be considered as somewhat extravagant or somewhat ridiculous. That, however, is not our intention. In the main, the suggestions we advance are suggestions for improvement in the administration of the Civil Service from a long-time viewpoint.

First of all, might I say that in connection with the Bill, which was before the House of Commons recently, on the Civil Service, there were certain features of the proposed measure which, in our judgment, would not be in the interests of the public service. First, the Bill proposed to reinstate the old distinction between the inside and the outside service.

By Mr. Chevrier:

Q. Would you give that bill its description? Is that the Gagnon Bill?—A. Yes, the Gagnon Bill. Now, that distinction was wiped out several years ago, and, from the point of view of the civil servants, there is nothing in making that distinction which would warrant its being returned. At the present time, in certain departments, there are promotions made to positions in Ottawa from outside of the city and to positions outside of the city from the service in Ottawa.

Q. Mr. Phelan, this distinction between the outside service and the inside service,—is there any such thing now as the outside service and the inside service?—A. Very often, in speaking of the service, people call the service in Ottawa the inside service, and the service outside of Ottawa the outside service.

Q. But there is no such thing?—A. There is no legal distinction.

By the Chairman:

Q. Just terms of convenience?—A. That is it exactly. The Bill further proposed that appointments outside of Ottawa should be departmental appointments, while those in Ottawa should be made by the Civil Service Commission. The opinion of our members outside of Ottawa is that that would not be a step in the best interests of the service.

Q. Does that relate to both initial appointments and promotions?—A. Exactly. Then the Bill also, of course, proposes to take practically all promotions out of the hands of the Civil Service Commission, in a large measure at any rate as far as Ottawa is concerned and *in toto* as far as the service outside of Ottawa is concerned, there the opinion of our members is that the present system, though it might be improved in some respects, has been an improvement over the system which existed previously, and this Bill would do nothing except reintroduce the system abolished back in 1918.

Q. Mr. Phelan, you say that the members of your organization from outside, that is, members who are in the outside service, are opposed to any change such as is suggested. Do you make that statement as a result of a poll of your members or any majority vote?—A. Not a poll, no. We make it as a result of representations which have come to us from our organizations outside of the City of Ottawa. We have received quite a number of statements of satisfaction at our attitude in opposition to the Bill.

Q. Can you tell me whether the statements coming to you from these affiliated organizations come as a statement of the officers of those organizations, or has there been a poll in those organizations?—A. There has not been an actual poll, but there have been meetings. They are based on meetings, that is, through local associations.

Q. But no recorded evidence in those local associations as to how they stand on this question?—A. I never heard of any, because I never heard of anyone opposing that attitude in the organizations.

Q. Here is what is bothering me: How long have you been associated, either as a member, or as an officer, with civil service organizations?—A. Oh, about 14 years.

Q. Well, you ought to have a pretty accurate knowledge of the situation. Now, here is what is bothering me: I am sure I am not overstating it, if I say that between 50 and 100 civil servants, whom I never before knew lived in the riding I represent—and I am sure that the 50 to 100 who interviewed me must represent a large bulk of the civil servants living in the riding of West York—saw me within thirty days after the last election and their one story was that they could never get ahead in the Civil Service, because they had been living in a riding which was represented by a member of the opposition, and now that a new government was in, if they only had the little pull, which I might put behind them, why everything would be rosy.—A. Well, were they in favour of the abolition of the Civil Service Act?

Q. Yes. Now, I am astounded to find out that I get resolutions from some of the very organizations to which I know these men belong (and in one case they told me it had been unanimously moved, seconded and carried, and so forth), that there be no interference whatever with the present system. Am I to take it that all the people who saw me are just those who are disgruntled, who did not get promotion or something of that kind, or what is the explanation of that situation?—A. Well, of course, the person who seeks to secure his own advancement—whether in the Civil Service or any other line of endeavour—by means such as those suggested by yourself, Mr. Chairman, really would not go to a meeting and advance the same views.

Q. Of course, mind you, that is not my individual experience. I have asked a dozen members if they have had the same experience and they have informed me they have.—A. You, of course, may find some who, through misfortune, or circumstances over which nobody may have any control, do not get along just as rapidly as they would like; well, I suppose, they are always in favour of a change, because they think a new deal might give them a better shake, a better hand; but, at the same time, I would not go so far as to say that every last civil servant is opposed to the Gagnon Bill. Our submission is that the great majority are.

Q. That is your confirmed opinion, is it?—A. It is, yes.

Q. That a very substantial majority of all the civil servants whom you represent are opposed to the Gagnon Bill?—A. That is so.

Q. They desire a continuation of this merit system for appointing and promoting?—A. That is quite right. I might add, too, that while we have received some dozens of suggestions and acknowledgments and so on with regard to the attitude of opposition to the Gagnon Bill both last year and this year, we have not yet received a single word of criticism of our attitude from any of our members, nor any suggestion from any of our affiliated associations that we ought to reverse our attitude; but even at that, of course, I would not go so far as to say that every individual civil servant all over the country might feel that way about it. There would always be a few who would feel differently.

By Mr. Vallance:

Q. Usually those who received their appointment under the old system of patronage would, I think, be interested in reviving it, but coming from a rural riding I have never received any representations from any who were in favour of my supporting the Gagnon Bill. Everyone has been absolutely opposed to it; they are absolutely opposed to the principles of the Gagnon Bill.—A. Yet, you might find one individual civil servant.

Q. Well, it has never been suggested to me.

The CHAIRMAN: Some of you would have a very interesting time, if you read my correspondence.

Mr. CHEVRIER: It may be because you are the chairman of this Committee.

The CHAIRMAN: Some of it came before this ever happened.

By Mr. Bowman:

Q. You said something in respect to promotions. I have been reading the reports submitted by the deputies of the different departments and note that written examinations, in so far as promotions are concerned, are very rare, few and far between; and might I read to you what Dr. Roche said in giving his evidence before the Committee? In speaking about promotion Dr. Roche said:

> Written examinations are resorted to but seldom, and the Commission's selection is based almost entirely upon the reports given by departmental officers upon the efficiency and fitness of the candidates. The

function of the Commission in connection with promotions, therefore, is not so much to conduct independent tests of the candidates' fitness for promotion as to ensure fair consideration for all qualified candidates on the basis of the reports of the officers who best know them and their work.

In other words, both from Dr. Roche's testimony before the Committee and from the reports that I have perused to date, the function of the Commission is more or less to approve of the action of the department in making promotions?—A. If they are satisfied.

Q. I beg your pardon?—A. If they are satisfied.

Q. If who are satisfied?—A. If the Commission are satisfied that the department's recommendation is a reasonable one.

Q. Yes, but the Commission passes their judgment on the finding of the deputy.—A. Well, of course that is a point the Commission would have to answer. I am not competent to answer for them; but, as far as the Civil Service Act is concerned, the Commission is expected to pass upon promotions, that is to say, if there are three aspirants for a vacancy, and if the department recommends in favour of one who obviously is not the one who should get the job because he lacks fitness for the position, the Commission most assuredly must pass upon that.

Q. That is the theoretical view?—A. That is the theoretical view, yes.

Q. You have never,—or have you investigated the number of promotions recommended by deputies of departments, but which have been refused or altered by the Commission?—A. I think the number is very small.

Q. Have you any figures?—A. I haven't any figures, but I think the number is very small. At the same time there is this that cannot be overlooked: The mere fact that the department has to show this thing to someone else, such as the Civil Service Commission, sometimes has a deterring effect.

Q. What would you think of a suggestion that the matter of promotions which, at the present time, is largely in the hands of the deputy—perhaps 99 per cent.—be left entirely to the deputies?—A. I think 99 per cent. is rather a high estimate.

Q. Well, I do not think so.

The CHAIRMAN: Indicated from the returns made to us by deputy ministers.

The WITNESS: As I was just pointing out, it may be that only one per cent. of the deputy minister's recommendations are rejected by the Commission, but the fact is that the other 99 per cent. have to be referred to the Commission and because they are going to be reviewed by the Commission, makes the department more careful in its recommendations. If the departments were answerable to nobody, then it would not be a question of one per cent which the Commission overrules being in error; there might be several more per cent in error, because the department was not subject to any check at all.

By Mr. Bowman:

Q. Yes. But if you note what I just read, Dr. Roche mentions that the Commission's selection is based almost entirely upon the reports given by departmental officers?—A. Well, yes, but that does not mean, necessarily, concurrence in the departmental recommendation.

Q. It does not necessarily mean that, but to all practical intents that is what happens.—A. After all, promotion has to be made in the Department. It is to the department that anybody must go to find out the records of those who are trying to secure the vacancy. If a man has been employed in one department for ten years, and he is trying for a vacant position, naturally it is his own department which can tell whether he is industrious, capable and so on, and the Commission or nobody else would have to do that.

Q. Quite.—A. The only alternative would be the scheme of written examinations, which would ignore entirely a man's record in the department. That would be objectionable too.

Q. The number of written examinations is, apparently, very very small? —A. For promotion?

Q. For promotion.—A. Yes, that is true, and at that I think most of them are confined to the lower grades.

By Mr. Chevrier:

Q. Mr. Phelan, as you represent a large proportion of the civil service, what would be the attitude of the civil servants with reference to those two alternatives? Would they rather that the promotions be left entirely to the discretion of the deputy ministers or would the civil servants prefer that promotions be made along the lines, if I understand them right, laid down in the second alternative—that is, that promotions should be made upon the recommendation of the deputy minister subject to the scrutiny of the Civil Service Commission?—A. Well, as I see the system now, Mr. Chevrier, the second is the course followed, in practice. That is what it amounts to.

Q. It may be followed, Mr. Phelan, but we are trying to find out something about the law as it affects the civil service. What is the feeling of the civil service toward the manner of making promotions, that they be left in the hands of the deputy minister or the commission and the deputy?—A. They feel it is better when left to the department and Commission both.

Q. And if they feel in that way can you say whether they have any reason to offer why they feel that way?—A. Well, the chief reason is just as I mentioned before, that the fact that the department has to go to the Commission, has to report on the different applicants and those reports are subject to some check by the Commission if necessary—that gives the civil servants a feeling that after all promotions are more apt to be made fairly.

Q. I do not know whether I get it right, but by following the second alternative the civil servants feel the merit system is better observed by having the promotions recommended by the deputy minister subject to the approval of the Commission—is that it?—A. Exactly.

By Mr. Bowman:

Q. I had this in mind in asking my earlier question, Mr. Phelan, that such a tremendous percentage, in fact almost entirely, as Dr. Roche said, of the promotions are made by the departmental officials and that a great deal of expense and time to the Commisison and the government could be saved without any particular harm to the service, if the promotions were left entirely in the hands of the deputies.—A. Well, that would be true in a great many cases, I suppose. There are a great many of the departments which, if left to do the thing themselves, would make the promotions very fairly. There might be officials, however, who would be prejudiced for or against individuals, and while it may appear to be a lot of trouble, without much result, to check up on all promotions just to discover those few cases, I think the net result warrants whatever expense may be involved. At that I do not believe the expense is great. The Commission would be able to tell that, but it does not seem to me there is very much expense involved.

By the Chairman:

Q. Just following on what you have now said, has your organization, or any of those civil service organizations, set up any machinery to deal with complaints of your civil service members who feel that they have not been

properly treated in the matter of promotions, or is there any person to whom you can make representations that a departmental official or deputy minister is playing favourites, or anything of that kind?—A. There is not, no.

Q. Has any attempt been made on the part of your organization— —A. I was going to describe that and advance a suggestion on the subject. There isn't anybody to go to now except, in each case, the person against whose action it is desired to lodge complaint, that is, if a department does something that the individual does not like and feels is not equitable, then the only recourse is to go to the department itself and ask them to undo what they have done.

Q. And I suppose under the present system, Mr. Phelan, assume that the deputy head of the department recommends a man for promotion, the Civil Service Commission exercises its function and refuses to sanction that promotion, I suppose if that civil servant ultimately obtained promotion, by force of the power of the Civil Service Commission, his position, I should imagine, would be pretty near untenable in the department, would it not?—A. Well, it would be extremely difficult, yes.

Q. May I ask, just so that I may get your viewpoint on those things—what position do you hold, Mr. Phelan?—A. Head clerk, in the department of Labour.

Q. How many grades up the scale is that, is that equal to a chief clerk? —A. No, it is the grade below. The standard grades are 1, 2, 3 and 4; then principal clerk, then head clerk, then chief clerk above that.

Q. So in the structure of civil service appointments you are about the centre, or middle strata of it all, at the moment?—A. Around about that.

Q. Or probably a little higher?

By Mr. MacInnis:

Q. What machinery have you for taking up grievances?—A. None, except the direct approach on the part of the organization to the Civil Service Commission or the department, that is, the Deputy Miniser or Minister, or by communicating with the Treasury Board or with whatever other authority is involved.

Q. You said that it was your opinion that if there was an appointment made, a promotion made by the Civil Service Commission, that was not agreeable to the head of the department, to the deputy, that the person receiving that promotion would have a rather bad time of it. Do you think that that has any bearing on the Commission in acquiescing in the selection of the head of the department?—A. Well, I suppose naturally the Commission has to consult with the department. That cannot be avoided. There isn't any reason why it should be avoided, and I suppose there is always some tendency, on the part of the Commission, to accept the recommendation of the department, unless, on the surface, there appears to be something wrong with it.

The Chairman: That would seem to be the natural course.

The Witness: Of course there are promotions given, quite a number of them, where the department does not recommend any one individual specifically for the promotion. There may be a vacancy in one of the grades in a Department and the Commission will be asked to fill the vacancy. They may, or may not, give a written examination. There may be six, or a dozen applicants and the Commission makes the promotion, in due course, after having gone through their procedure, but the department will not have made any specific recommendation that anyone get the job. In other words, they are quite satisfied to have anyone get it who is determined to be qualified by the Commission. There are several cases of that, of course.

By Mr. MacInnis:

Q. Do you think the Commission aids as a check on undue favoritism in the department?—A. That is our opinion—not a complete check, of course, because you have the human element to deal with, and you cannot make everyone see things in the same light, but it is a partial check, at least.

By Mr. Bowman:

Q. It is extremely hard to check favoritism?—A. Well, it is impossible.

By Mr. Chevrier:

Q. Could you devise a better system than at present, to insure the observance of the merit system in promotion?—A. Well, I do not suppose it is possible to devise any beter system which would have any hope of being tried out. Any one of us could sit down and, in theory, work out an admirable scheme, but it might—

The CHAIRMAN: It is a pretty difficult question to expect a head clerk of the department of Labour to answer. He has got to live in this "burg" for a lifetime.

Mr. MACINNIS: But merit governs. There is no reason why we should not say it.

By Mr. Chevrier:

Q. Leaving aside your own personal judgment, your federation, (you speaking as representative thereof), feel that this is as good a system as could be had? —A. Well, we have some improvements—I might refer to them as minor improvements—to the promotion system to suggest, but as far as the principles involved in the present system are concerned, we think they are generally about as good as you can get.

Q. And they might be a little better with the improvements you suggest?—A. We feel they would be better.

By Mr. Bowman:

Q. The Commission really act as a referee in the matter of promotions?—A. That is their place in the scheme of things.

Q. Would there be any reason why a select committee from your own organization should not occupy that position as referee in the matter of promotions?—A. That would be fine for us.

By the Chairman:

Q. Or a committee composed of a representative of your association, a representative of the department and a representative of the Commission?—A. We have a suggestion to advance for an Appeal Board, the idea being that the promotion would be made as the present system stands, but that in cases where either the department, or the individual affected, was not satisfied, either could go to this Board and could have the matter reviewed; and we suggest, in connection with that Board, that the Civil Service Commission, the Department and the employee, through his organization, be represented on that board to go into the case. But there are, after all, a great many—a pretty heavy percentage of these promotions made in the service—where no question of unfairness, or favoritism, or anything like that, comes up. It is perfectly true that that question—one of those questions—comes up in connection with quite a number. I suppose you hear more about those, where somebody takes exception to them; where everybody is satisfied, you do not hear much about them.

The CHAIRMAN: If a dog bites a man, we hear very little about it, but if a man bites a dog, it appears in scare headlines.

Mr. CHEVRIER: You always hear about doctors losing their patients, but you do not hear so much about doctors curing their patients.

The CHAIRMAN: Of course, Mr. Chevrier, doctors are a poor illustration; "they bury their mistakes."

Mr. CHEVRIER: Take the lawyers, for example.

By Mr. MacInnis:

Q. Do you find it is difficult to have your grievances heard through the departments?—A. No. As a general rule we are very well treated, when it comes to hearing of our grievances. I would not say, however, that it often goes beyond that. But we have not any complaints to make with regard to the hearing of our grievances from time to time. As a matter of fact, all authorities are usually most anxious to listen to what we have to say.

The CHAIRMAN: We have got two of your suggestions; now, what is your third suggestion?

The WITNESS: I am still dealing with the Bill which was before the House. Now, with regard to the matter of dismissals: a change in the procedure in cases of dismissal was suggested by the Bill. The present regulations for the dismissal of a permanent employee require that he be dismissed by the Governor in Council. For that the Bill would substitute dismissal by the Minister of the department in which the permanent employee is engaged. Of course, the rules for dismissal are different in the case of temporaries and permanents. I am speaking now only of permanent employees.

The CHAIRMAN: I understand.

The WITNESS: We feel that there is not any reason for making a change from the present system. If a person is to be dismissed, then the matter is passed upon by Council, and we feel that that is a safeguard against a conspicuous number of dismissals in this type of case in any one department.

By the Chairman:

Q. Because the Minister must back up his recommendation to Council and satisfy the other members of Council?—A. In theory, at any rate.

Q. In practice?—A. In practice—perhaps so too.

By Mr. Bowman:

Q. That would certainly become the case where there was any particular question arising as to the correctness of the dismissal or the appropriatness of the dismissal?—A. Oh, yes; it would arise in any such case. The other ministers would undoubtedly wish to know why the recommendation was made, which would get away from giving any one person, whether the head of the department or otherwise, the right to dismiss permanent employees. Of course, with temporary employees it is different.

By Mr. MacInnis:

Q. Do the Civil Service Commission review the dismissals?—A. I think they sometimes review them, but actually they have no power, except so far as their own employees are concerned, where they make their recommendations.

By the Chairman:

Q. Take number four now?—A. Well, the point of departmental appointments as suggested in the Bill before the House, I have mentioned.

Q. I have that grouped under suggestion number two?—A. I see. Those were our views of the Bill as considered by the House of Commons. I would like to refer just briefly to some of the evidence which has already been given.

We heartily approve of the Civil Service Commission system. That does not mean, of course, that we approve in every detail of its procedure now in effect. It does not mean that we do not think this could be improved, but as a system, we believe that it cannot be improved upon and that any change by way of abolition of the Commission and the returning of the power to the departments would be a retrograde step, as far as the Civil Service is concerned.

Q. Is that what you mean now when you say "system", or do you include in the system the question of holding open competitions, for example, for a permanent appointment, where some person is already in the position for a number of years and probably he is the only one who could fill the position; do you consider that part of the system?—A. No. I mean, so far as the system is concerned—the principles, not the details, of the Civil Service Act. That other point you mentioned, Mr. Chairman, would be one of the details. There has been some evidence submitted to the Committee by the Civil Service Commission with regard to the necessity of suiting the departments in the work of the Civil Service Commission, and also there has been some discussion of the possibility of one of the branches, namely, the Organization Branch of the Commission, introducing economies into the administration.

Q. You are grouping two things?—A. Yes, the suiting of the departments one of the Commissioners mentioned as important.

Q. That is with appointees?—A. Well, with the work of the Commission. I think it referred chiefly to appointments, but in that same general way it referred to all the work of the Commission. Then, the Chief of the Organization Branch in giving evidence referred, in different cases, to the economies which had been effected, or could be effected in certain instances. Now, I would like to point out, *en passant*, that the term "economy" seemed to be used always in the sense of just saving expenditure. In other words, it would almost approach parsimony; because, after all, it is not always economy to fail to make an expenditure to a good purpose.

Mr. Bowman: I do not think Mr. Putman's suggestions in that respect could be taken in that light.

The Chairman: We did not gather that impression.

The Witness: Reading through the evidence it looked that way. Perhaps the word "parsimony" is a little too harsh; but the idea seems to be—

The Chairman: I grasp your thought, but I do not think that any of the Committee were left with that view, as the result of Mr. Putman's evidence.

Mr. MacInnis: I think Mr. Putman stressed the saving in financial expenditure, but I believe it was implied there was an economy in efficiency as well.

The Witness: I thought it was an economy in dollars and cents.

Mr. Vallance: From the evidence, I think the witness could arrive at that conclusion, because he stipulated sums of money when asked what savings could be made.

The Witness: Yes.

Mr. Bowman: But he gave the answer in reply to a direct question from myself as to what saving could be made. In his original general statement he did state the fact that economies could be made—overlapping and overmanning of service could be avoided—which, I think, is a very important thing for this Committee to consider.

The Witness: The point we wish to make there is this, that the work of the Organization Branch of the Commission should be primarily to recommend on what is fair and what is equitable, regardless of whether or not expense may be warranted at the moment, for, after all, the Treasury Board has to pass upon these cases of changed classification, and naturally, they say whether

or not the money is available to make the change recommended. There is some feeling, in some parts of the Civil Service, that the work of the Organization Branch of the Civil Service Commission could be improved. In this way: at the present time, when a department wishes to secure a change in classification for a position, or a class, they send a recommendation to that effect to the Civil Service Commission; the Civil Service Commission then send an investigator to the department; he goes into the facts of the case and eventually the Organization Branch of the Civil Service Commission reports to the Commissioners, and the Commissioners pass upon the case most often, I think, in accordance with the recommendation made by their own Organization Branch. Now, in cases where the department has recommended that certain action be taken and the Organization Branch of the Commission concurs that that action should be taken, then there is no dispute and, naturally, it is not necessary to bother too much about it; but, where the Organization Branch of the Commission proposes to recommend adversely on the department's request, we would suggest that a copy of that adverse report be returned to the department at the same time it is given to the Civil Service Commissioners, and that the Commissioners appoint a day when the Department may send a representative before the Commissioners, at the same time having present a representative of the Organization Branch, so that if the Organization Branch happens to report in error, the department may be in position to defend its original request and to see that the whole case is clearly and fairly presented to the Commissioners before they finally pass upon it.

By Mr. Bowman:

Q. Something in the nature of a re-hearing?—A. Practically that.

By the Chairman:

Q. Where the Commission has heard only one side, the idea is that you want them to get the other side of the question?—A. That is it. They get an original statement from the department in a brief form. Then the Commission send to the department and get their own report. That is what it amounts to. If that report is adverse, the department questions it; wants to take some special action and press the case, or make an inquiry direct to the Commission. It has not had an opportunity of having its case fully heard; it is only a preliminary hearing.

By Mr. Bowman:

Q. Of course, Dr. MacTavish says that the whole genius of the organization is "suiting" the department?—A. Yes; but there are cases where that factor is overlooked. There are cases where the department requests that certain positions be regraded and the Commission reports adversely on them.

By the Chairman:

Q. What you have been saying refers to reclassifications asked for by a department?—A. Yes; reclassifications asked for by a department.

By Mr. MacInnis:

Q. What would be the use of the Organization Branch, if it was merely to concur with every request made by a department?—A. There would not be any use for it. That is perfectly true. But, at the same time, this does happen now occasionally; the Organization Branch sends an investigator to the department and he reports to the Commission, but his report may be in error. After all, occasionally an investigator will make a mistake; he will overlook something, some important detail of the work pertaining to the position, or some other representation of the department will not be given the weight it deserves, and it is just to correct this action that we suggest this procedure.

By the Chairman:

Q. I suppose, Mr. Phelan, that as nearly all requisitions for re-grading recommended by departments mean increase in salaries to the civil servant and, therefore, more outlay, if the Organization Branch were efficiently performing its function there would be a natural resistance in that Branch to increasing expenditure?—A. Not necessarily, because sometimes work is expanding in a department and they may have to add to the staff.

Q. That may be true; but would not the natural thing be, if the Organization Branch is to be a true efficiency branch of the service, that obviously their whole natural training is to get the maximum of operation for the minimum of expense? —A. I think it should not be. That is more properly the function of the Treasury Board. One can understand the Treasury Board being just as economical as it is possible to be to save money.

Q. What position is the Treasury Board in to know anything about the details of departments? Here is a branch of the Civil Service which, if I might compare it, is following the function of, we will say, an efficiency expert in a large industrial plant. Now, I am not saying that their object in life should be to reduce civil servants' salaries; that is not my point. I say there should be in that Branch a natural resistance to an increase of expenditure which would be caused by re-classification?—A. I think the position of the Organization Branch should be more judicial than that; it should go into the Department and determine whether or not, in their judgment, the change suggested should be made.

Q. Now, you see where we are heading. I have been trying to help out your case. If they are going to be judicial, why the necessity of having any copies of the report sent to the department?—A. Because they may make mistakes in the judicial field. It is possible to have appeals from a judge's decision. The case is similar here. It should be possible to have some appeal from the initial judgment of the Organization Branch.

Q. But, you say it has already been changed by the Civil Service Commission?—A. Yes; but our suggestion is that that be not done until the Department is furnished with a copy of the report and is given an opportunity to appear before the Commission.

By Mr. MacInnis:

Q. We have been given the impression here, at least I have, that the Civil Service Commission, in the performance of its duty, generally has been, if I might use the term, catering to the heads of the departments, or to the deputy heads. That is to say, the first consideration, possibly, was harmony with the head of the department. I do not know whether the rest of the Committee got that impression, but I did. Now, don't you think that it is essential that there should be no pressure brought to bear upon the Commissioners or, particularly upon the Organization Branch of the Commission?—A. Well, it is not a question of bringing pressure to bear on them; after all, if the Commissioners were to hear, on the same day, a representative of the department and a representative of the Organization Branch, that should be fair enough. It is not a question of trying to tell the Organization Branch what they should do. They have already done what they thought they should do. But it is a question of the Organization Branch being prepared to support their recommendation with a representative of the department present.

Q. Yes, but if there were a few adverse recommendations by the Organization Branch, and the matter was taken to the Commission in the way you have suggested, and the Commission ruled against the Organization Branch, would not the tendency be for the Organization Branch to concur with the recommendations of the department? What is the use of bringing those recommenda-

tions before the Commission, and have them thrown in the waste-basket?—A. No, because at the present time the Commissioners do not always concur in the report of the Organization Branch, occasionally they disagree with the Organization Branch and deal with the case in a way other than the Organization Branch may have recommended; and then, too, if the Commissioners are to become routine in dealing with recommendations of their Organization Branch, it is passing the powers which are statutory with the Commissioners along to the Organization Branch.

Q. But you say, even now, without the method you suggest, the Commissioners do, at times disagree with the Organization Branch, so that there is no possibility of their becoming merely routine performing perfunctory services? —A. The Commissioners, I submit, rely very largely upon the report of their Organization Branch for the facts of the case. They may dispute the judgment of the Organization Branch as to the recommendations, but, for the facts of the case, they rely on the report of that Branch. Sometimes the report of the branch is in error as to facts.

Q. Don't you think, instead of having the head of the department and the representative from the Organization Branch who made the investigation appear before the Commission, it would be better for the head of the department to report back that he was not satisfied with the report, and for the Commission to send their investigator in again to see if he had overlooked something?—A. At the present time, the department does not receive a copy of the report at all.

The CHAIRMAN: You are asking a man to review his own judgment.

Mr. MACINNIS: No, not necessarily. Any man who is worthwhile should be always willing to go over his own work to see if it is as good as he thought it was.

The WITNESS: Of course, the Chairman has pointed out that there is almost inevitably a natural disinclination to alter its opinion on the part of the Organization Branch who recommends those changes. Now, I say that should not be so. I suppose though, you would always have it. That might always exist, and so long as any attitude of that kind does exist, it is useless to send some man along to recommend a second time on what he has already reported on once. He might change his mind. That is to say, would it not be better to have the thing done in just a little different way, to try to get at the facts in a little different way to see whether or not the change should be made?

By Mr. MacInnis:

Q. No. I would think the Organization Branch is not interested in the matter, excepting to get as smoothly a running and as efficiently a running organization as possible.

The CHAIRMAN: Without regard to costs?

Mr. MACINNIS: Yes, without regard to costs.

The CHAIRMAN: You may as well scrap the whole organization.

Mr. MACINNIS: Not at all.

By Mr. MacInnis:

Q. If the Organization Branch is performing the functions it should perform, the costs, taken in relation to the work performed and the efficiency received, would always be less than otherwise would be the case. If that is not the case, then your Organization Branch is really superfluous. You have no need of it at all, or it is performing no useful function.—A. Well, it is not our opinion that the Organization Branch should not pay too much attention to costs. After all, there are two other authorities who have to review costs. The primary function of the Organization Branch, first of all, is to make recommendations.

The department has to have some idea in mind what that change, if made, would cost, because then the department has to find money to make the change, in the sense that even if the Organization Branch may have recommended to the Commissioners and even if the Commissioners approve of the change suggested, the matter still has to go before the Treasury Board. If the Treasury Board approve it will be then—

The CHAIRMAN: Mr. Phelan, when you argue that, are you not blowing hot and cold at the same time? Your organization comes and says: "We stand behind the principle of the Civil Service Act." Why? Because it removes the principal causes of partisarship and so forth, to a large extent, in the civil service. Now, the Treasury Board is a political body. When you have the Organization Branch deal with the matter of organization, you have the same principle of a non-partisan political body dealing with the suggestion of the curtailment of expenditures; so, having regard to that aspect of it, if you want the principle of the Act adhered to, how can you harmonize that with your suggestion?

The WITNESS: Well, Mr. Chairman, the Treasury Board in one sense, is a political institution, inasmuch as the six ministers who constitute it are members of Parliament, but I never heard of any complaint of the Treasury Board holding up any of these matters on a political basis at all. I do not think it ever does. As far as we can ever say, the Treasury Board has only one thing in mind: can we or can we not spend this money? There is always the financial consideration. I do not think they ever held a matter of this kind up on any other basis.

By the Chairman:

Q. Then, I might have no faith in the judgment of one Treasury Board, and my friend John Vallance might have no faith in the judgment of another, so we try to get a branch to look after organization which is apparently, to all intents and purposes, removed from partisan influences?—A. Yes; in the final analysis, the Treasury Board is responsible for all expenses, and it was never contemplated in the Civil Service Act that the Organization Branch of the Commission would have the final say as to those expenses.

Q. I am not suggesting they should.—A. That could not be, really, but the fact is if the Organization Branch always has the money question in mind, then it is going to temper its judgment.

Q. I think it should.—A. Well yes, if the requests of the Departments were absolutely extravagant, but what I mean is merely because a change as suggested is going to cost some more money, does not mean the change itself should not be made.

Q. No.—A. Or an argument against the change.

Q. Nobody is suggesting that.—A. That is what it always comes down to, if people start to give too much weight to the financial phase of it.

By Mr. Chevrier:

Q. What is the function of the Organization Branch, its service to the departments?—A. Well, that is covered in the Civil Service Act.

Q. What does it do with respect to the departments?—A. These matters to which we are referring now are cases where the department requests a change be made in the classification of an individual or a class, to take account of some new duties or change in duties.

Q. That would be made with a view of promotion or reclassification, or with a recommendation for promotion or reclassification, meaning an expense of money, would be recommended for what purpose?—A. Because it is felt it is earned.

Q. Because it is earned? Would it be for the purpose of assuring greater efficiency to the service?—A. Yes.

By the Chairman:

Q. That is a theory?—A. Yes, if you admit that after all it is cheaper—

By Mr. Chevrier:

Q. I am not giving evidence. I am trying to get at the bottom of your case. From what you have said, I supposed the function of the Organization Branch would be to secure the best employee in the way of promotion for appointment, particularly promotion, that would ensure the efficient working out of the work of that department?—A. That is it, exactly.

Q. If that be so, to what extent, if to any, the element of cost should enter, is a question of having efficiency in the Service. Should the element of cost come in at all?—A. Not so long as you can get the money to meet the bill.

Q. That is what I want.

The CHAIRMAN: You can get efficiency in anything at a minimum price, and you can get it at a maximum price.

The WITNESS: Well, the point is this, Mr. Chairman, if you admit the theory that it is cheaper to pay what a job is worth, then, why should the element of cost enter into it? It is like this. You may be able to get common labour for five cents an hour, because there is a surplus of it. You may also pay as high as twenty-five, or thirty, or thirty-five cents. It may be a whole lot cheaper to pay thirty cents per hour for labour than five cents per hour. It is the same thing in other walks of life.

By the Chairman:

Q. I am taking an extreme illustration. For example, you answer Mr. Chevrier in a way which, frankly, I cannot agree with, that the job of the Organization Branch is to see whether the work which it proposes that a man has to do, additional work, is worth so much more money—I do not conceive that to be a job at all.—A. That is one of their jobs.

Q. Is it not this: a certain department requests a reclassification, and Mr. Putman, or one of his investigators, goes down there, and he comes back to the Commission and he says the department has recommended a reclassification for John Jones, because he is doing work that is really not part of the duties of a clerk, grade one, which he now is. In his opinion, that work could just as well be done by Jim Brown, who is already a clerk, grade two, and being paid for the work on a higher basis, and therefore there is no necessity to make this change in classification of Jones. That is what I conceive to be the true job of the Organization Branch.—A. Well, of course, that is all part of passing upon the request of the reclassification of the one position. In the case you outline, they reject the request, because they have found conditions were not such as alleged.

Q. If it is a case of getting the same work done by someone who was being paid a proper scale for it, there would be a saving, of course, in expenditure, by reason of someone else not being on the higher basis.—A. That is merely an incidental function of the Organization Branch, after all.

Q. I think that ought to be the main function.—A. It should not be placed on the Organization Branch of the Commission to go all through the classes at all. Departmental men ought to run their affairs. After all, each department should have some idea how best to allocate its own work.

Q. The point under discussion is, when the departments want to make a change in the way outlined in the way they run their affairs, they get more salary for somebody in the Department.—A. Well—

Q. It comes to the Organization Branch to say whether or not, in their opinion, it is a necessary change.—A. Well no, Mr. Chairman. It does not work that way, because when these requests come to the Commission for

reclassification of individual positions or class positions, there is supposed to have been an actual concrete change in the position affected. It is not for the department—of course, in every case the Organization Branch might be sent to a department to reorganize the work in advance of the application for reclassification, or something of that sort.

Q. Let us stay with the case I have suggested.—A. Well, in that case, there is supposed to have been a change before the date on which the application went in. Of course, if it is, one would expect the Organization Branch to report accordingly, but it is not the main function of the Organization Branch, when requests of that kind are to be passed upon—not as we see it at any rate—to go around, and, to put it bluntly, start in and tell a Department how to do its work.

By Mr. MacInnis:

Q. Just one moment, Mr. Chairman. You say it is not the function of the Organization Branch, or you say it is not the function of the Commission, because the Organization Branch is part of the Commission, to go into the various departments and organize the departments?—A. Oh, that is the function of the Commission, of course.

Q. Yes. That is what you said a moment ago, that it was not the function of the Organization Branch.—A. No, I did not. I must not have made myself clear. I did not intend to say that at all. What I did say was this: I did say that it never appeared to us to be the function of the Commission to go around and I am stating it rather crudely, I must admit—to go around and tell every department how to do its work. There are times, I think, from time to time, when the Commission has properly, and regularly been called in to reorganize a branch of the service. That has been done different times, of course. I presume so long as the present system obtains, it will always be done from time to time. But these cases we are referring to now usually affect only one, sometimes they affect two or three or four, but usually very small numbers are affected.

Q. Is it not a fact that although it may only affect one person at one time, that it indirectly affects a great many people. That is, if you promote Bill Smith from one classification to a higher classification, and, consequently, increase his salary, you do not increase the responsibility, that generally shows in another department, and a person in the same department will make an application to have his classification changed, and indirectly it will have a great bearing on the organization of the department—A. That might happen; of course, it could.

Q. It does happen.—A. Well, you see in these cases it is not a question of a person, of an individual making an application to get a classification changed, it is a question of the department recommending to the Commission that the classification be changed. I might suggest that my job be changed, and I be given a higher rating, but that would not necessarily mean anything at all. These changes are not so easy as all that, you know.

Q. But if you had influence in connection with the application, then it would be the case?—A. Well, I would not term it influence. I would say if I could impress the deputy head that my duties had increased or changed in some respects, well then, I suppose he would recommend it to the Commission.

Q. Yes.—A. But it is just in that way that these cases come up.

By Mr. Bowman:

Q. Do I understand now that you are suggesting that the Organization Branch, in all applications for reclassification, before the final decision is made, a representative from the department, a representative from the Organization Branch and the Commission meet and finally review the application?—A. Yes—if the report of the Organization Branch is to be adverse.

Q. And Mr. Putnam has told us that there are thousands of applications for reclassification?—A. I thought the figure was about a thousand, over some years, was it not?

Q. No, my recollection is thousands, but it makes no difference.—A. I think it was a thousand over a period of about five years.

Q. Well, all right.—A. That would be about 200 a year.

Q. Yes, and the object of all those reclassifications is really, to a very substantial extent at least, an increase in salary to the individual whose reclassification is asked for?—A. Yes, to the individual.

Q. Yes.—A. But it may not mean an added expenditure. It may be that a small division is being reorganized. It may be that some one individual has left and that his duties are being divided up among two or three others. That often happens.

Q. That often happens, and in the majority of cases this reclassification means an increase in salary?—A. Yes, I would agree with you, so far as the majority is concerned.

Q. All right, and the real object of your Federation, and your duties as President, and your executive, is to get as many salary increases as possible for your civil servants?—A. Yes, in so far as they are entitled to them, based on considerations of justice and equity, but not just blindly to go looking for increases or promotions.

Q. Quite so. It would not improve your position, or the position of your association, if you went around blindly asking for increases, you would soon lose the confidence of the powers that be, but that is the idea of your organization—to advance the interests of the different employees with whom you are associated, and in those reclassifications, present their views as far as possible, in order that they might get higher salaries?—A. Exactly, where we feel they are entitled to them.

By Mr. Chevrier:

Q. Would you go so far as to say that you would advocate reclassification, with a view to securing a higher salary, if that was not consistent with efficiency?—A. No, I added just after Mr. Bowman finished "if they are entitled to them."

Q. Oh, if they are entitled to them?—A. Yes.

Q. That is not the primary idea.—A. The primary idea of which?

Q. Of your association?—A. Oh, absolutely.

Q. The primary idea?—A. The primary idea of the organization, as Mr. Bowman mentioned it, is to advance the interest of its members, where the circumstances warrant.

Mr. CHEVRIER: Oh, that is all right.

By Mr. MacInnis:

Q. Can you conceive of a plea being made for an increase in salary, where circumstances didn't warrant it?—A. Oh, yes, we have at different times been asked to take up matters with a department, and we have advised the people who asked us to do it that we did not consider that they had a case. That has happened quite often.

Q. Well, I did not have just that in mind. What I had in mind was that sometimes the head of a department would suggest an increase and the Organization Branch would not agree. In that case, you would not say that you did not agree with the head of the department?—A. Oh, no. In a case like that, we have a good deal of confidence in the head of the department.

The CHAIRMAN: You would not be human, if you did not.

The WITNESS: When it comes to that, of course, we believe he knows his own job.

By Mr. Bowman:

Q. Don't you really think, Mr. Phelan, that there should be some body, or organization, that should act in the capacity of a check to those applicants for reclassification?—A. Oh, absolutely. There isn't any other practical way to deal with them. Someone has to investigate them and report upon them. I hope I did not give the impression that we thought the Organization Branch should be abolished, or anything of that sort.

Q. No, not at all.—A. Because we certainly do not think that.

By the Chairman:

Q. I understand the impression you wanted to convey, Mr. Phelan, was this —that where there is a disagreement, between the Organization Branch and the departmental recommendation, both sides should be heard before the Commission as a judicial body to determine the issue.—A. That is it exactly. The suggestion, Mr. Chairman, developed in the Committee—I just forget at the moment where it came from—that possibly it might be advisable to transfer the work of the Organization Branch direct to the Treasury Board. Is that not correct—that was under consideration?

Mr. BOWMAN: Oh, no.

The CHAIRMAN: Some questions were developed along that line.

The WITNESS: I might say, on that point, that in our opinion, that would not be a wise move from any point of view. After all, the Treasury Board checks up on the work of the Organization Branch, where it is going to cost more money anyway, and we feel that the one check would be quite enough.

There are, in the civil service, as was mentioned earlier, some thousands of temporary employees. Some of these employees are what are known as long-term temporaries. They have been in the service now for upwards of twelve, or thirteen years, running back, I believe, to twenty-five or thirty years in some cases. These employes were not blanketed in, when the Civil Service Act became effective, partly perhaps through carelessness on the part of the department in which they were engaged and partly because of other technical reasons. We have not an exact count of those temporaries who are in the capacity of long-term temporaries, though I believe the Civil Service Commission is compiling a list which would show the number. It would appear that, perhaps, there are two thousand of them in the Civil Service, and we wanted to bring this to the attention of the Committee, to see if they would give it consideration and perhaps recommend that these employees be made permanent, if necessary, by some special legislation. Just to take one example: There are some engineers, that is, stationary engineers, in public buildings throughout the country—not only in Ottawa but in other parts of the country—who have been in the service now since before the time when the Civil Service Act was passed. They are not permanent, though they are given the benefits, in some case, of the Civil Service Superannuation Act; but they have been pegged for several years at a salary somewhat below the maximum which is allowed to the class; in other words, men in the same category who entered the service after those long-term temporaries entered it and were made permanent immediately, and who have gone ahead in respect of their salary till they reached the maximum, whereas those men with longer service have remained where they were several years ago.

By Mr. Chevrier:

Q. Are you aware of any others that were temporaries for a further number of years than that, that is, who have been temporaries for a longer period of years, going back of 1918?—A. Well, yes. We have some members in the department of Marine, at Prescott, who were appointed there at the time the marine signal depot was started in Prescott in, about 1913,—those men are still temporary.

Q. Are they not enjoying the benefits of the so-called Civil Service Act?—A. They are under the Civil Service Act, I believe, in a way, but they are not permanent under the Act.

Q. I just say that because I happen to know, personally, three or four who have been appointed since 1897 and they are still temporary?—A. Yes.

Mr. BOWMAN: Do you know why, Mr. Chevrier?

Mr. CHEVRIER: Well, it is just because they were never taken under the Civil Service Act.

Mr. BOWMAN: That is, legally they did not come within the provisions of the Civil Service Act?

Mr. CHEVRIER: Nor do they get the benefits of the Superannuation Act or anything of the kind.

Q. Mr. Phelan, are you sufficiently familiar with the provisions of the Superannuation Act to tell me, if these temporary employees were taken in now by statute, by an amendment to the Civil Service Act, which we might recommend to the House, or is there a provision in the Act to take care of that situation, or do we have to consider amendments to other Acts as well?—A. Strange as it seems, some are under the Superannuation Act now.

Q. So that we would not have to take that Act into consideration?—A. You would not have to take that Act into consideration.

By Mr. Chevrier:

Q. You do not mean all of them, Mr. Phelan?—A. Well, they had the right to elect to come under it. They are not all under it, it is true, because some of them failed to elect to come under it.

Q. In order to get to my point, as I understand it, in order to enjoy the benefits of superannuation, is it not so that there must be a stated annual salary, or fixed rate?—A. Oh, yes. If they are under prevailing rates, of course, it would require special legislation.

Q. And full time over $600, and not under prevailing rates?—A. Well, full time,—if seasonal they are included in the definition of full time. A man works six months or eight months in the year, and if he earns $600 or over he is eligible to come under the Superannuation Act.

Q. At a stated salary?—A. At a stated annual salary in excess of $600.

Then too, some of the departments for reasons, or for no reason, are dilatory about making permanent employees when first appointed. It would, perhaps, be better if I did not mention any department, but we have had cases where men were appointed in a temporary capacity and were just trailed along for two, three or five—or more—years for no reason at all, apparently. Now, that is a situation to which we would like to call attention, because the Civil Service Act provides for certain probationary periods. An appointee may be temporary for six months, then even if he is made permanent—

Q. May I ask now what would be that particular class, clerical or artisan?—A. Some of them are manipulative staffs. They are at stated annual salaries. They are not on prevailing rates.

Q. Are they under the clerical staffs?—A. In some cases, yes. But in other cases they would be manipulative staffs of one sort or another on stated annual salaries. Just why any department acts in that way, it is pretty difficult to discover, but, nevertheless, there are cases where departments are dilatory about making permanent people for whom they have permanent positions or rather for whom they have permanent work. It is not a question of making people permanent when they are on purely temporary work. We wanted to bring the attention of the Committee to that point in the hope that it might be possible to give it some consideration.

[Mr. V. C. Phelan.]

By Mr. Bowman:

Q. Do you know of any cases where these temporary positions have been filled for a number of years, as you say, where the departments have tried to get the appointments made permanent but have not succeeded in getting the approval of the Commission?—A. The Commission would not hold them up. Of course there are cases, you know, where work may be temporary, and yet it may last a long number of years. For instance, there is work now being closed out on the Welland Canal which has lasted for approximately twenty years, but all during that twenty years it was really temporary work. There was never any hope of it becoming permanent work. The other cases that we refer to are cases where the work of a department may increase, and increase permanently, and where people are kept on temporary, for several years and quite unnecessarily.

By Mr. Chevrier:

Q. Mr. Phelan, in the branch of the Soldiers Settlement Board, and a few other kindred boards, those employees are still temporaries?—A. Still temporaries, yes.

Q. And they are not enjoying the benefits of superannuation?—A. No, that is quite right.

Q. This work has been going on for a number of years?—A. Oh, yes.

Q. And will undoubtedly go on for a number of years?—A. Well, yes, most of it.

Q. Until the last of the soldiers have been taken care of? Now, is there any reason why those employees should not be made permanent, so that they may enjoy the benefits of superannuation and the other privileges that go with the Civil Service law?—A. There is no apparent reason, no. They have been in there now, I believe, some of them, since immediately following the war, 1919-20, and so on, and they are still temporary.

Q. When I mention the Soldiers Settlement Board—of course there are others? A. There are other Boards and Commissions in the same status.

By the Chairman:

Q. It would appear, Mr. Phelan, that the power to remedy the evil, if evil it is, is already in the hands of the Commission. Section 38, subsection 3, of the Civil Service Act reads:

> Temporary employment in the Civil Service shall be authorized only for such time, not exceeding six months, as the Commission deems necessary, and the period for which the employment is authorized shall be mentioned in the certificate of qualification issued by the Commission; and one or more extensions of such period of employment may be granted by the Commission, but each such extension shall be limited to a period not exceeding six months.

Surely the power is already in the Commission to cure that situation, by refusing to issue more certificates?—A. Well, yes, but then there are always technical difficulties coming up, you know. Sometimes it is a matter of the department's appropriation. They may not be able to pay them. If they are permanent, they may not have any money to pay them, so that the department may find it more convenient to trail employees along as temporaries, rather than have them made permanent. Well, the Commission would not appear to have much option in a case like that.

Q. Oh, yes, the Commission could say "At the end of the fiscal year those men have got to become permanent, we will not issue temporary certificates any more." Then if the department requires the men for the performance of the duties, obviously the department must provide the money with which

to pay them?—A. Oh, yes, I think that could be done. Some of the evidence indicated that the Commission feels they have to "suit" the department, and I suppose they do not want to start in telling the department what it ought to do.

Q. You see, we cannot legislate that which is already law.—A. No, but I think if that were insisted upon, by calling the attention of the Commission and the department to that section of the Act it would help, because, after all, while the power rests with the Commission, to a certain extent, there are other details which the department has to agree to and fix up.

Mr. CHEVRIER: On that score—of course I cannot give evidence—we are here to investigate the working of the Act, and in connection with some of these employees that I have mentioned, if you feel that they should be called with a view to permanency in the service—there are a number of these employees, for instance, in the Soldiers' Settlement Board and other branches of the service where the department take the attitude that, in view of the law, the position is not a permanent one, because it is bound to be extinguished after a certain number of years; for instance, the historical section in the department of National Defence, that has been lasting for a number of years and those people are being deprived of the privileges of the Superannuation Act and the like. I am just pointing that out to you, Mr. Chairman, if you feel that we should go into that aspect of the case, where men have been employed since 1918, and will continue to be employed until the last of the returned men have been taken care of, because it may be that a recommendation of this Committee would be the only thing to secure the permanency of these men and women, thus bringing them under the provisions of the Act.

The CHAIRMAN: I would think, Mr. Chevrier, that the Committee would approve of any person being called before the Committee whom any member of the Committee requested to be called, and I would suggest that just as soon as we get through with civil service representatives and deputy ministers, and so forth, it would be the convenient time, if you thought it advisable, to bring that matter forward.

Mr. CHEVRIER: Thank you, Mr. Chairman.

The CHAIRMAN: Any witnesses you desire.

Mr. CHEVRIER: Having said that much, Mr. Chairman, I should think this will be public notice to those concerned who feel that they should be heard.

The CHAIRMAN: Let them get in touch with Mr. Chevrier.

Mr. CHEVRIER: I am not here to bring more work to this Committee. However, I think they should be heard.

Mr. BOWMAN: If you had one or two representative men it would be better.

Mr. CHEVRIER: Oh, yes.

Mr. BOWMAN: That would probably be sufficient for our purpose.

By Mr. Bowman:

Q. Has there been any real movement, on behalf of these men, to become recognized or to be brought under the operations of the Civil Service Act? —A. Yes. I believe one of the other organization representatives who is going to appear is going to bring up that point.

Mr. CHEVRIER: Oh, that is all right.

The WITNESS: Earlier I mentioned, in connection with the Gagnon Bill, the question of promotions. Now, we have some suggestions to make in connec-

tion with promotions which I would like to outline now. The report of the Civil Service Commission for 1928 dealt with the question of departmental delays in making promotions as follows:

> In their last report the Commissioners drew attention to the practice, which has frequently been found to exist, of placing officers in vacant positions in an acting capacity for considerable periods of time before asking the Commission to take steps to fill the vacancies either by promotion or by open competition. When the competition is finally held, the temporary incumbent of the position has obviously an unfair advantage over the other competitors.
>
> The Commission accordingly requests that requisitions for appointments or promotions be filed at as early a date as possible, so that when the position in question becomes vacant there will be no necessity for an acting appointment, but the new appointee will be ready to take over the duties.
>
> The Commissioners have again to refer to the considerable number of complaints which have been received regarding the delays which have taken place in connection with promotions in certain departments. In the great majority of such cases inquiry has disclosed the fact that the delay has been caused by the failure of the department concerned to furnish the Commission, with reasonable expedition, with the reports upon the qualifications of the candidates in question, upon which, in large measure, selections for promotions are made. When these departmental reports are furnished promptly and promotions are allowed to proceed without hindrance, the result is decidedly beneficial to the public service, as protracted delays and the dissatisfaction and uncertainty which they arouse in the minds of the employees are bound to react against their efficiency and morale.

That point which the Civil Service Commission called attention to in their reports of 1928 is one which has been the cause of some dissatisfaction in the Civil Service, from time to time, as the Commissioners point out, and we would suggest that if the Committee can devise any means of urging the departments more promptly to make application to have vacancies filled which are to be filled in future, then we think it would react favourably on the administration of the public service.

By Mr. Bowman:

Q. There would not be any delays if the departments— —A. I think some of them,—as a matter of fact those delays are departmental delays now.

Q. That is not what the departments say, according to the statements that are filed with us. The statements would indicate that some of these delays were because of the actions of the Commission.—A. Well, it is pretty difficult, you know, two or three or five years afterwards to find out who was at fault; but the fact is, though, that some of the departments—not all of them, of course, but some of the departments—are just slow about getting round to filling vacancies, when they have it in mind all along to fill them and fill them by promotion. They just fool along about the thing, in some cases without any apparent reason. In many cases the position might just as well be filled a year earlier, and, in fairness to the employee, the position should be filled whenever the vacancy occurs in the normal course.

The Chairman of the Civil Service Commission, when giving evidence, referred to delay in promotion due to the fact that retiring leave is paid out of the salary appropriation attached to a given position. We would like to refer

to Dr. Roche's comment in that regard and to say that that is a point which we hope will some day be corrected, because we feel that if a separate appropriation, which would not necessarily be very large, were provided for the payment of retiring leave, then promotions would be speeded up in a reasonable way.

By Mr. Chevrier:

Q. You mean, for instance, an employee is retired with six months' leave and you cannot fill that position, by promotion or otherwise, until his six months' have expired?—A. Only in one department. One department has special legislation.

Q. But, in the meantime, in the other departments, the position cannot be filled, because it would mean the necessity of paying two salaries?—A. Quite right.

Q. The suggestion was made—at least I think it was made—that a lump sum should be paid at once?—A. Yes, exactly, a gratuity.

Q. Then the other incumbent should be appointed at once?—A. Exactly.

Mr. CHEVRIER: I think that is only fair.

By the Chairman:

Q. I take it your organization approves of Dr. Roche's suggestion in that regard?—A. Exactly.

By Mr. Bowman:

Q. In other words, for this period you would be paying two salaries for the same position?—A. If you consider the retiring leave salary, yes. Of course, if we consider it as a gratuity, a gift on retirement after long service, then you would not consider it as paying two salaries for the one position.

By Mr. MacInnis:

Q. It is a matter of gratuity—a gift?—A. Yes, it is in consideration of long and faithful service.

By Mr. Chevrier:

Q. And then we would get over that difficulty that we had the other day of having somebody in a position for a length of time and then coming to the position with special rating for experience?—A. To a certain extent, yes.

By the Chairman:

Q. In these individual cases?—A. Yes. You would get away from the difficulty of a person being put in to learn a job pending the filling of it, to a certain extent.

Mr. BOWMAN: I say this would be a bad time for this Committee to make any suggestions which would increase the cost of the public service.

The CHAIRMAN: We appreciate that.

Mr. MACINNIS: I do not think this would increase it.

The CHAIRMAN: It increases the outlay of this country to the extent of paying six months' bonus to everybody who is retiring; increases the burden of the taxpayer to that extent.

Mr. CHEVRIER: No. They get six times one month, and if they get it all at once, it would only be a matter of the interest thereon.

The CHAIRMAN: If they now get six times one month's amount, another person promoted to that position gets the same six times one month's amount at the same time.

Mr. CHEVRIER: It would be different.

Mr. MACINNIS: He does the work of that particular person, and if he does the work he is entitled to the payment.

Mr. BOWMAN: It does not alter the fact that it does double the cost to the government at that time.

Mr. MACINNIS: No, no.

The CHAIRMAN: Is this not a matter that we should argue later?

Mr. BOWMAN: Let us understand Mr. MacInnis' point.

Mr. MACINNIS: A man has been in the Civil Service and has served a considerable number of years. He is due to retire, and he gets a retiring allowance, according to the number of years he has been in the service, retiring over a period of years—he gets five or six months' pay—I do not know how many months—but he receives every month the cheque that he would receive when he was doing the work in the Department, and while he is retiring there is another man in his position doing the work that he was doing. Now, the two salaries are paid in any case.

The CHAIRMAN: No.

Mr. MACINNIS: Yes they are. The retiring allowance is paid and the salary is paid to the man who is doing the work.

Mr. BOWMAN: Yes. That is quite true. I follow you that far.

Mr. MACINNIS: Now, if you pay the retiring allowance right away and allow a permanent promotion to be made you are not paying any more. Possibly you are paying a slight increase in the salary, but it is not at all necessary that you should do so, nor is it at all certain that you would do so.

Mr. BOWMAN: No. That is not the object of the suggestion. The object is that during that six month's period you may put somebody else in the service.

Mr. MACINNIS: But you have somebody else in the service anyway; you must carry on.

The CHAIRMAN: Take a simple illustration. Let us assume that in a certain department John Jones and Bill Smith are employed. Jones is getting $150 a month and Smith is getting $100 a month. Jones' retiring time has come and he retires, but continues to draw the $150 a month for six months, and Smith does his work without getting any more than $100 which Smith previously got.

Mr. MACINNIS: That is the very point in my explanation.

The CHAIRMAN: Therefore, if you now move Smith up into Jones' position, and you bring in a new man to fill Smith's position, you are still paying the same amount as you paid before, but, in the meantime, you are going to give Jones this six times $150 because his retirement equals $900.

Mr. MACINNIS: Are you going to leave Jones' place vacant?

The CHAIRMAN: That is what they do now.

Mr. MACINNIS: How is the business carried on?

The CHAIRMAN: By this man Smith.

Mr. MACINNIS: Who is doing Smith's work?

The CHAIRMAN: He is doing both.

The WITNESS: It just shows, Mr. Chairman, how hard some civil servants work.

Mr. MACINNIS: The case is all the better for the change.

The CHAIRMAN: Now, you suggest that a change should be made. All Mr. Bowman is suggesting is that, having regard to present conditions in the country, this would be a very bad time to bring it into effect, because you are increasing taxation, and we are having difficulty to raise money enough to finance the country now.

Mr. MACINNIS: That is the point I cannot see.

The CHAIRMAN: I presume, Mr. Phelan, you will be some little time before you get through?

The WITNESS: Yes.

The CHAIRMAN: Most of the members would like to have a few minutes in the House before it adjourns, and to-night we do not sit after 6 o'clock in the House. Would it be convenient for us to adjourn now until 11 o'clock to-morrow morning?

The committee adjourned to meet Thursday at 11 o'clock a.m.

HOUSE OF COMMONS,

MARCH 31, 1932.

The Select Special Committee to inquire into appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 11 a.m., Mr. Lawson presiding.

Examination of Mr. V. C. Phelan continued.

By the Chairman:

Q. I think when we adjourned last night, Mr. Phelan, you were dealing with the question of promotions?—A. Yes, sir.

Q. And you were giving us your suggestions in connection therewith. Would you just proceed from that point?—A. At the conclusion of yesterday's meeting, Mr. Chairman, the point under discussion was whether or not the proposal with respect to the granting of a gratuity in lieu of retiring leave would involve additional expenditure. There is one point that is of some importance in that respect and it is this: Owing to the practice by which civil servants' salaries are fixed, namely, the fixing of a maximum and minimum for each class with an annual increment provided, it is almost always the case that when a person retires at the maximum, or at nearly the maximum of his class, wherever a new appointee is promoted, of course, he receives only the minimum. There is, consequently, some saving when a person leaves a position and when the position is filled by promotion—some saving which extends over a period of three, four or five or possibly more years. Then, if the position which becomes vacant through the retirement of the incumbent is in one of the senior grades that may necessitate promotions all along the line, because one person in the senior position leaving, there may be four, five or six promotions further down. Consequently, there is a saving in each of those four, five or six cases.

Q. Would that be true? That would not follow?—A. Not necessarily.

Q. Because, if there is a series of successive promotions, there would be a series of men moving up from the maximum of one grade to the minimum of the next higher grade?—A. We will say there is a chief clerk at the maximum of the class leaving. He would be receiving $3,720. The person being promoted to that vacancy would receive $3,120. That person would be promoted from the position of head clerk, we will say, at $3,000. Then the next vacancy is filled at the minimum which would be $2,520, so that instead of having a person at the maximum of this class, actually he is at the minimum, because when you get down to the last class you bring somebody in from outside of the Civil Service through the usual procedure to fill a vacancy, and that person comes in at the minimum; and the set-up then is that instead of having five people holding positions with each one drawing the maximum of the class, or nearly the maximum of the class, you have five people holding positions each one of whom is at the minimum of the class.

Q. And four of whom are at a minimum of a higher class and, therefore, receiving a higher remuneration than their maximum in the previously lower class?—A. Not necessarily; because when you get into the lower grades, the maximum of one class coincides with the minimum of the next highest class. The result is that, though a promotion may be made, no increase in salary is

granted immediately. It works out this way, that even though three or four might be receiving a slightly higher salary you are replacing one chief clerk at $3,720 with one grade 1 clerk at $720.

By Mr. Bowman:

Q. That is not true, is it?—A. Oh, yes.

Q. No. You have somebody at the bottom that you are replacing by your $720—not the man at the top?—A. Well, I say that the set-up is so changed that even though, out of six people, one of whom is leaving, five may receive, after the changes are made, slightly higher salaries, the one person who is leaving and who is receiving $3,720 is eventually replaced by one at the bottom receiving $720.

Q. No.—A. Yes.

Q. I do not see that at all.

By the Chairman:

Q. What is the maximum salary of the lowest grade?—A. The maximum salary of grade 1 is $1,020.

Q. And what is the minimum?—A. The minimum is $720.

Q. To follow your illustration, admitting that you have five persons each being moved up one grade and each person at the maximum at that time, you would be effecting a saving of the difference between $1,020 and $720 on that new man coming in to grade 1 as an offset to your increases in the other grades where they have been moved from the maximum of a lower grade to the minimum of a higher grade?—A. That is not the total saving. Take the case of the chief clerk—the man at $3,720 replaced by a man at $3,120. There is a saving of $600 per annum to be reduced in future years in accordance with the granting of the annual increases. The next man would be at $3,000 and would be promoted to $3,120. He is paid $120 more. The next man would be at $2,400 and he would be promoted to $2,520 and he receives $120 more; that is $240 of added expenditure. The next man would be at $1,920 and would be promoted to a class with a minimum of $1,920. There is no change. The next man would be at $1,620 and he would be promoted to a class with a minimum salary of a like amount. Consequently, there would be no change. The next man would be promoted from $1,380 to $1,380 and there would be no change. The next man would be changed from $1,020 to $1,080 and there would be a change of $60. Then you bring in a person at $720 in the place of $1,020 and you are saving $300 there.

By Mr. Bowman:

Q. Quite a difference to your proposition of replacing a man at $3,700 by a man at $720?—A. I was slightly in error in my calculation, but I was trying to arrive at the same conclusion.

By the Chairman:

Q. That is an error in your deduction?—A. Not exactly. Of course, I was not in error in this respect that I said that the saving would be $3,720 less $720, less the increases granted. If you take it on that basis it will work out the same way.

By Mr. Bowman:

Q. That happens to work out in that particular position to which you are referring. There are many that would not work out similar to that.—A. Why not?

Q. Because the man who might be retiring might not be at the top of the class?—A. We were assuming that.

The CHAIRMAN: We were assuming that everybody in the position was at the maximum salary of his grade; we assumed that for the purposes of the illustration.

By Mr. Bowman:

Q. I say it would not apply in all cases?—A. It would not apply in all cases, although where people are being retired through age, for instance, it usually is the case. It would be the case more often than not. I just mentioned that point, Mr. Chairman, because it has a bearing on the suggestion that a gratuity be paid in lieu of retiring leave.

By Mr. MacInnis:

Q. When there is a retirement made, there is nearly always another appointment made?—A. Well, of course, that would depend on the circumstances of the work. Quite often, if it is thought necessary or desirable, the staff may be reduced by one on the retirement of some individual. Then the position held by the person who retires may be abolished, or even if the position is filled then the position lower down may be abolished.

Q. You were having in mind, when we were discussing this last night, that the personnel of the departments concerned would remain the same?—A. Yes.

Q. And where that is the case, in nine times out of ten, there is an appointment made during the continuation of the retirement allowance?—A. Nine times out of ten, although sometimes the department may delay in filling a position for no apparent reason and the position may not be filled at all sometimes, although the retiring leave has expired.

Q. That is the case at times, but the general procedure is to fill the position?—A. To fill the position at the time the retiring leave expired.

By Mr. Bowman:

Q. At the time the retiring leave expired?—A. Yes.

Q. That is what Mr. MacInnis was trying to get at. Mr. MacInnis said that during the time the retiring payment was being continued—

By Mr. MacInnis:

Q. When the retiring leave begins?—A. That cannot be done. The position may be filled in a sense, but the person cannot actually be promoted. He cannot receive the salary because the person who is on retiring leave is construed as still filling the position.

Q. I have that in mind, but the position is filled, in the sense that there is someone else doing the work?—A. Yes. Someone else is acting.

Q. The personnel of the department has not been decreased by one because this man is away on retiring allowance?—A. That is quite true.

Q. There is no other point, as a matter of fact, to discuss in regard to this matter, except that one point?—A. The next point I would like to bring to the attention of the Committee is this: Some time ago, in discussing a series of promotions, reference was made to the fact that promotions are made—and they are made quite frequently in fact—where a promotion is made to another position and where no financial benefit accrues to the person being promoted immediately, and, in fact, in some cases, the benefit of any financial gain due to the promotion is not derived for a period of twelve or often as long as fifteen months after the promotion is made. We feel that a promotion, where it is a *bona fide* promotion, should always carry with it some—small though it may

be—financial gain to the person promoted. To illustrate: the class grade 3 clerk has a maximum of $1,620; class grade 4 has a minimum of $1,620. If a person is at the maximum of grade 3 and is promoted to grade 4, under the Act, as it stands at the present time, that person has to remain at the minimum of grade 4 for at least one year before he receives any financial benefit from the promotion. We would suggest, for the consideration of the Committee, that some means be devised for giving some financial consideration to the person being promoted immediately on promotion.

By Mr. Chevrier:

Q. How would you do that?—A. At present, section 13 of the Civil Service Act prohibits that being done. That section reads:—

> "13. The rate of compensation of an employee upon appointment to a position in any class in the civil service shall be at the minimum rate prescribed for the class; provided however, that when the appointee is already in the civil service in another position, the rate of compensation upon appointment to the new position either through transfer or promotion shall be the same as that received before such new appointment, or, if there be no such rate for the new class, then at the next higher rate, but no appointment shall in any case be made at less than the minimum nor at more than the maximum rate prescribed for a class."

The word appointment there covers also promotion.

Q. Are there any other situations similar to the one you have mentioned?—A. Oh, yes, there are a great many of them. For instance, in the clerical classes the maximum of grade 2, $1,380, is the same as the minimum of grade 3, $1,380. The maximum of grade 3 corresponds with the minimum of grade 4. The maximum of grade 4 corresponds with the minimum of the class principal clerk. Then, owing to the fact that there are several special classification rates—classification rates for special positions such as the accounting grades —there are cases where the maximum of one class may be half way up the rating for another class. That happens in the case of principal clerk and accountant. Accountant grade 1 has a maximum of $2,220. Principal clerk has a maximum of $2,400. If a person were to be promoted from accountant grade 1 to principal clerk he would often have to wait a year, possibly fifteen months, before receiving any financial benefit from the promotion.

Q. Have you any suggestions to make as to how that should be cured?—A. We would suggest that the clause in the Act be worded as follows: "The rate of compensation of an employee upon appointment to a position in any class in the civil service shall be at the minimum rate prescribed for the class, provided, however, that when the appointee is already in the civil service in another position, and is receiving a salary equal to, or greater than, the said minimum rate, the rate of compensation upon appointment to the new position by promotion shall be the next higher rate, but no appointment shall in any case be made at less than the minimum nor at more than the maximum rate prescribed for a class."

Q. And would that interfere with the present classification ranges?—A. No.

Q. I wanted to get that in sequence in the record.

By Mr. Bowman:

Q. You would shove them up to second class in those cases?—A. The second step.

Q. If necessary?—A. Yes.

By the Chairman:

Q. If I understand your point correctly, there are many cases now in which promotion means to the civil servant no immediate benefit in the way of salary, but merely the possibility of a higher maximum at some future time?

—A. Exactly. Our idea is that as an incentive to employees to try for promotion there be a definite, shall I say, "cash nexus" with promotion based on merit—at the present time promotion entails a change of duties, presumably the taking on of duties which are of greater difficulty than those previously performed, and where a lapse of a year has to occur before any cash benefit accrues to the person being promoted, it robs the promotion of some of its efficacy in stimulating industry in that department.

Q. Although I have no desire to open up the subject in detail, I would like to get your view as to whether your organizations are favourable or not to the present system of minimum and maximum salaries and automatic raises at the end of fixed periods and so on?—A. Yes. We are favourable to that. It is, perhaps, unfortunate that so frequently these increases in salary are referred to as annual increases, or statutory increases, rather than by the term which may more properly be applied, namely, annual increments. These increases, in our opinion, are not increases in the ordinary sense of the word. When the classification is drawn up it is not a question of fixing one rate of pay to apply to a given position; it is a question of fixing a scale, and that scale then is an integral part of the remuneration attached to an individual or given position. After all, a person quoting salary ratings in the Civil Service usually quotes the maximum of the class, which is reached only after some years of experience in the position. The increases, it is true, in most of the departments, are given almost automatically, though, in some of the departments, there are tests applied before the annual increment is given. Then, in all of the departments—for cause the increase is withheld in individual cases. That happens more frequently in some departments than in others.

Q. I presume that would be because of absence without leave or, as a disciplinary action?—A. Yes. It is a matter of discipline, of course; the lack of attention to duty, though in the case of some of the departments, Mr. Chairman —in the case of the Post Office department—they have "case examinations" in certain classes, and unless a man shows a high degree of efficiency on the case examination, and the mark is fixed and known in advance, he does not get any annual increment—not in that year—although he has a chance of qualifying later on. Then there are cases in other departments where it is impossible to assess work so directly as that where a man, because of diminishing efficiency, or because of not improving his efficiency, loses the annual increment.

By Mr. McInnis:

Q. In other words, the annual increment is the scale that is paid according to experience and efficiency in the employment?—A. Yes.

Q. Now, in connection with the suggested amendments to section 13: The person promoted, does he serve a probationary period, when he is promoted, the same as a new assignment to the service?—A. I think that is true, in theory, but in practice it is not a common custom at all to demote people after promotion. It is not unknown, but it is not common. The fact is, of course, that a person who gains promotion within a department is pretty well known as to his ability and industry and so on, and care is taken as a general thing to avoid promoting a person, where there are grave doubts that he would be able to carry on in the new position. Cases of demotion are not frequent; though, as I have said, they are not unknown.

Q. In reply to a question by the Chairman a while ago, you said that at the present time there was no financial benefit from a promotion, but the possibility of a financial benefit for the future. That is not just correct, is it? It is not a possibility; it is a certainty of financial benefit in the future, is it not?—A. I suppose in practice it is more of a certainty than a possibility. I think what the Chairman had in mind was the possibility would become a certainty if and when the annual increase is granted.

The CHAIRMAN: A person might die, or he might become ill, and never be able to go back to work. Many things might happen. That is why I said "possibility".

By Mr. Bowman:

Q. If a man still continues in the service, it is a certainty that he is going to get his annual increase, generally speaking?—A. Generally speaking, providing he complies with whatever regulations there may be in the department.

By Mr. MacInnis:

Q. After his promotion, if his services are considered satisfactory in that particular position, then the annual increment, or increased pay, comes to him, because of his promotion as a matter of course?—A. On the recommendation of the deputy head of the department.

By Mr. Bowman:

Q. After all, his promotion does carry with it something of considerable value?—A. Not immediately.

Q. Yes, immediately, because it puts him in line for further increases, which he would not have had, had he remained in a lower class?—A. Of course, it is not what the banks would term a realizable asset; it is a deferred benefit.

The CHAIRMAN: I was going to suggest to Mr. Phelan that what he means is that he wants the man to get a tangible asset instead of an intangible one.

The WITNESS: Yes. That is it exactly. An immediate rather than a deferred benefit.

By Mr. Bowman:

Q. You have not any suggestions as to where there could be economies made in the organization, have you?—A. In which organizations?

Q. The organizations you are talking about?—A. In the Civil Service?

Q. Yes. Of course, I can understand your position. Perhaps you had better not answer that question?—A. I can answer this on a point I intended to mention later on. From time to time there is considerable discussion of amalgamating different branches of the Service, for purposes of economy or greater efficiency, and we would suggest that, in all these cases, first consideration be given to reducing the numbers in the Service where reduction may be required by failing to introduce new appointees from outside of the Civil Service. That is to say, if a branch is construed to be in such a position that some reduction might be carried out, and if it happens that some two or three people leave, then, in our judgment, a good way to start that reduction is by just not filling those vacancies. That is particularly the case at the moment.

Q. I think that is generally conceded by the members of the Committee.

The CHAIRMAN: That would not require any argument.

The WITNESS: On that point of annual increases, Mr. Chairman, as undoubtedly the Committee is aware, of course, these annual increases will not be granted during the forthcoming fiscal year, so the discussion of them at the present time is, as I understand it, as in connection with other things—something looking to the future rather than the present.

The CHAIRMAN: I think all the members of the Committee still have in mind your preliminary statement. You are taking a long-range view of the situation on the basis of normal conditions.

The WITNESS: Yes. I might add on that point that the value to the public service—I do not mean to the individuals employed in the public service—but to the public service, the value of annual increases is to hold out some inducement

to people entering the service to continue on in the service—an inducement which can be held out by private industry through more rapid promotion. The Beatty Commission, for example, reporting in 1930, mentioned the fact that promotions in the public service—in the Civil Service of Canada specifically—are not so frequent as are promotions in outside business.

By Mr. Bowman:

Q. I would be inclined to doubt that?—A. In comparable lines of work, I should add.

Q. It would depend upon certain branches of the Service. For instance, I do not think there is any service that has promotions equal to government promotions in the matter of, say, stenographic services or clerical work and so forth. In may be possible that, in technical branches or offices, that are specially qualified the promotions are not so fast?—A. Of course, there is this to it, that the upset limit in promotions in the Civil Service is not so high as in private business.

Q. Again, in certain positions, having certain special qualifications?—A. In any position. After all, a man can possibly enter an outside business as an office boy and eventually own the plant.

The CHAIRMAN: We have many instances of it.

The WITNESS: No man can start in a government department as office boy and eventually own the department.

Mr. BOWMAN: Or own the government.

The WITNESS: Yes. Now, that is a consideration.

The CHAIRMAN: Of course, he is compensated by security of tenure of office, superannuation and so forth.

Mr. CHEVRIER: For which he pays.

The CHAIRMAN: We will leave aside superannuation. He has the advantage of security of tenure of office and so forth which the one hundred men who started at the bottom in a large plant did not have. Then that fellow in a hundred may become the owner, but not more than one.

The WITNESS: No. Not unless they introduce socialism.

The CHAIRMAN: Unless we introduce Mr. MacInnis' co-operative industry.

The WITNESS: Even that factor of security of office in the Civil Service is occasionally over-stressed. For instance, many clerical employees in such corporations as railways have a certain security of office too—perhaps not quite to the same degree as those in the public service have—nevertheless they have a certain measure of security in office.

By Mr. Chevrier:

Q. With regard to security of office, what has been the character of the security of office within the last four or five years, as compared with the security of office in preceding years?—A. Well, security of office would appear to be less to-day than it was in the Civil Service five, ten, fifteen or twenty-five years ago.

The CHAIRMAN: Yes. That really is because of extraordinary conditions.

By Mr. Ernst:

Q. To what is that due?—A. Partly to abnormal conditions and partly to the transfer of the natural resources back to the western provinces. Such a condition as that cannot be avoided, of course.

By Mr. Chevrier:

Q. And by the nature of the Act itself, is there any permanent position with permanency to the same extent as under the old Act?—A. Well, no. Any

position in the Civil Service—it does not matter what it is—may be abolished by Order in Council, which means that the incumbent——

Q. The security of office is not as great a security as when this——A. It is not an absolute security.

By Mr. Ernst:

Q. In practice that works out as a fair degree of security?—A. Oh, yes.

Q. And in some departments it is almost complete?—A. Depending upon faithful and efficient service.

Q. Leaving out the abnormal conditions and the return of the natural resources to the western provinces, you would not say there was any grave degree of lack of security of office?—A. Well, it is pretty difficult to generalize for the whole service. For example, there is one branch of the department of Public Works—the mechanics in the city of Ottawa—they have had a staff of 234 up to the present time, and to-day there are being released from that staff approximately 85. Those persons have had service—one as long as thirty-four years and one as short as three months. Technically they are not permanent employees. Legally they are temporary employees. But, after all, when a person has been working for fifteen or twenty years if you have any employees classified as permanent you are inclined to look on that man as a permanent employee.

By Mr. Bowman:

Q. Those are the exceptions?—A. Of course, for several years, largely due to the effect of the war—the after effects of the war—the Civil Service was on an expanding basis, and necessarily so. That day would appear to be pretty well finished. From now on, apart from the normal growth of the country, there would not seem to be any exceptional growth in prospect.

By the Chairman:

Q. Now we are suffering the pains of contraction?—A. That is what it amounts to, and when you start to suffer from those pains there are going to be results, and the results are bound to be a lessening of the number of employees. If the contraction is painless, by reason of the non-filling of vacancy, nobody is hurt.

By Mr. Ernst:

Q. How long would it take you to get the necessary contraction by that method? What do you mean by that?—A. There might be an argument as to how far the contraction is to go. If the contraction were not to be a major contraction it should be possible to do it in a fairly short time by normal retirements—by making use, for instance, of the Superannuation Act. A few years ago people used to be carried on beyond seventy up to seventy-five years of age when they were eligible to superannuation as a matter of course. That policy has been pretty well discarded. When we discard that policy we speed up retirements from the service. That is a sure and simple means.

By the Chairman:

Q. If I am not interrupting your train of thought, Mr. Phelan, what is there about the Civil Service that makes it so attractive? Thousands of people want to get into it?—A. That is difficult to answer. I think it must be that people have the impression that a dollar received from Government goes about twice as far as a dollar received from anybody else.

By Mr. Bowman:

Q. Either that or you get more dollars from Government?—A. I think not, because there have been some positions—the Civil Service Commission will be in a better position to give that information—but I know myself of some

positions in the Civil Service which were advertised where, taking account of the qualifications required, the salary was anything but attractive, and even in good times, they would have dozens of applicants for the position.

By the Chairman:

Q. It cannot be an illusion on the part of the public that Civil Service pay goes farther than that of a man who works in an industry, because we see a tremendous number of civil servants who are being employed and very few of them ever resign, in order to go out into business. There must be some attraction, and I am wondering what it is?—A. It must be psychological.

Mr. MacInnis: Has it been proved that the attraction of Civil Service is any greater than the attraction in other employments?

The Chairman: Under normal conditions, yes.

Mr. MacInnis: Just a minute. I know of one of the Woolworth stores in not a very large city, which advertised for a girl and got three hundred applications. The salary was not attractive—possibly ten or twelve dollars a week.

The Chairman: When did this happen?

Mr. MacInnis: That was two years ago. I also know of a farmer who advertised for a man to work on a farm without any wages at all—just for his board—and he got over fifty applications.

Mr. Vallance: He was not on the prairies, I will tell you that.

Mr. MacInnis: Of course, to live on the prairies you should be paid for it anyway. I do not think there is very much in that. It is a matter of getting away from the grind of looking for a job every week or so.

The Chairman: Security of tenure.

The Witness: The attractiveness about government employment appears to be at entrance. Now, you mentioned, Mr. Chairman, that not many people resign from the Civil Service to take other positions; but so far as I have had any opportunity to observe that seems absolutely true of all other lines of steady employment. There are not many resigning from the banks to take other employment.

The Chairman: Oh, yes. The number is enormous.

The Witness: There have been, in recent years, due to bank amalgamations, because those who were working for one bank prior to the amalgamation almost got frozen out on the absorption of one by another. It is true that they were promised jobs, but they got nowhere.

The Chairman: I do not agree with that. Your illustration is one with which I happen to be familiar. One of the worst worries of the banks is—I am not speaking of to-day, I am speaking of normal conditions in this country—that they get young men and, just when they get them trained to a point where they may become very valuable, they will leave and go into a private corporation. Take all the young chaps who come out of Collegiate Institutes, and colleges, and go into banks and stay for a year or two. They want the experience and training, and then they leave voluntarily and go into a private enterprise, because they think there is a greater field.

The Witness: Of course, the banks offer a training which is marketable throughout the country. To market one's Civil Service experience is not always an easy thing to do.

By Mr. Bowman:

Q. Banks, as a matter of fact, do not pay good salaries as compared with those paid by the Civil Service?—A. No, because they hold out the prospect of that training to the individual who is entering the service. They tell him that it is worth money.

Mr. MacInnis: He gets tired waiting and resigns.

The Witness: Take the case of the railways. There are not many who leave the railway systems voluntarily; their employment is pretty steady. Their clerical employment is particularly so.

By the Chairman:

Q. It is always a mystery to me what the explanation of it is?—A. I think it is a mystery to everybody. If I might add this further thought, that attractiveness of government positions is confined largely, or chiefly, to entrance because civil servants after two, three or five years after entrance become dissatisfied.

Q. They are just like members of Parliament in that respect.

Mr. Vallance: But they are still staying "put".

The Chairman: Yes, until they are defeated.

Mr. Ernst: They have a little more security of tenure.

The Witness: That was our point in connection with the suggestion about some immediate salary increase on promotion. The next point I would like to bring to the attention of the Committee is that respecting promotions for employees known as prevailing rate employees. There are in the Civil Service several hundred prevailing rate employees—I believe about fifteen hundred in all—who are not eligible for promotion to positions which are under the Civil Service Act.

By the Chairman:

Q. Did you say about fifteen hundred?—A. There were about two thousand prevailing rate employees in all. About fifteen hundred are affected in the manner I have mentioned. About five hundred are eligible for promotion through special regulations. The other fifteen hundred are scattered among about five departments, the chief Department affected being the Public Works.

Q. How are they not eligible for promotion?—A. They are not eligible for promotion.

Q. Why?—A. The reason is that these employees are appointed by the Departments and promotion would entail appointment under the Civil Service Act.

Q. These employees do not come under the Civil Service Act?—A. They are not under the Civil Service Act; but there are certain types of positions, such as clerk of works in the Public Works department in the city here, which is a position which can logically be filled by promotion from amongst these employees, but they are not eligible to make application.

Q. If they do not come under the Civil Service Act, who fixes their remuneration or salaries?—A. They are paid at prevailing rates. The Department fixes the rate, but the rate is supposed to be based upon the rate current in the district.

Q. There is nothing to prevent the Department from changing the rate from time to time?—A. The rate is changed from time to time, up or down as the case may be.

Q. And would these be persons in the main engaged in mechanical work? —A. They are practically all mechanics—practically all without exceptions—mechanics of one class or another. There are not many positions opening up from time to time to which they would be eligible for promotion, but those few there are are blocked to them by reason of the technical difficulty, that difficulty being that they are not under the Civil Service Act whereas the positions to which they would seek promotion are under that Act.

By Mr. Bowman:

Q. The government would have to have latitude in dealing with a man such as this at prevailing rates. You could hardly bring all this class under the Civil Service Act, could you?—A. I was not suggesting that at the moment, although the men themselves do prefer that. They would prefer to be engaged under the terms of the Civil Service Act. I mentioned a few minutes ago that in the Public Works Department it has been found necessary to release eighty-five or so of those mechanics after serving five, ten, fifteen or twenty years and so up to thirty-four years. Now, those employees are not under the Civil Service Act; they are only temporary, in a legal sense, and, on retirement, they receive nothing; they are just given notice to quit. If they were brought under the terms of the Civil Service Superannuation Act—if they had been allowed to contribute, to provide pensions for themselves—they would now be entitled to something. That is not the situation however.

Q. Could not the provisions of the Act, with respect to superannuation itself, be so enlarged as to permit any government employee to participate in the way desired and to reap benefits according to the extent of the payments made into the fund?—A. That is our contention, yes.

Q. Could that not be done without bringing the employees under the operation of the Civil Service Act?—A. Yes, because not all of those who are entitled under the Superannuation Act are under the Civil Service Act. The Income Tax Branch of the Department of National Revenue, for instance, is eligible to be brought under the Superannuation Act. Many of them are under the Superannuation Act, but they are not under the Civil Service Act. There are other examples of it. Deputy Ministers are under the Superannuation Act; they are not under the Civil Service Act; they are not appointed by the Commission, so that there is not any necessary connection between the Superannuation Act and the Civil Service Act.

By Mr. MacInnis:

Q. Are there appointments made by the Civil Service Commission where, in the same class, promotions could not be made?—A. No; any person appointed by the Civil Service Commission to a permanent position is entitled to promotion to any other permanent position under the Civil Service Act. Yesterday, the question of some right of appeal, or some machinery of appeal for civil servants was touched on. I have a memorandum which I would like to present to this Committee. I presume it will take about ten minutes to read it. Have I your permission to read it or would you prefer—

The CHAIRMAN: If you think the written memorandum states the matter more concisely than you can do it yourself why go ahead and read it.

Mr. BOWMAN: Perhaps you could summarize it.

The WITNESS: The gist of it is that at the present time the civil servant is practically without any channel of appeal against any regulations or any action in respect of him, except to the authority against whom he desires to take an appeal. Suppose that the Civil Service Commission were to issue a regulation which bore too heavily, in their own opinion, on some employees in Departments. They can only appeal to the Civil Service Commission against that regulation. The same is true where regulations are on a departmental basis—appeal must be taken to the Departments. For several years the Civil Service organizations endeavoured to have established a Civil Service Council following more or less the Council established in the British Civil Service, in 1919, and known as the Whitley Council. The proposal was to have a National Civil Service Council to which matters of appeal, affecting classes rather than individuals, from all departments in all parts of the country, might be taken. The proposal further was that the

[Mr. V. C. Phelan.]

Board, or Council, would consist of about the same number of representatives to be named by Civil Service organizations and by the government, with the Council to act in an advisory capacity. That is to say, the Council was to have no authority other than to consider and report. Some appeal board was suggested in the report of Arthur Young and Company as long ago as 1919, when they reported, on the classification of the Civil Service. Subsequently, the Malcolm Committee of the House of Commons, in 1923, reported favourably on the establishment of some joint departmental appeal boards. Later, in 1928, the Select Committee of the House of Commons on Industrial and International Relations recommended favourably on the establishment of a joint Civil Service Council in the public service. That report of the Committee was approved by Parliament in 1928, but it was not, however, until 1930 that any further action was taken. Then an Order in Council was passed. That Order in Council was passed early in May 1930, and provided for the calling together of a meeting to approve the constitution for the proposed Civil Service Council, the constitution to be approved by this meeting and then referred to the Governor in Council for consideration, and, if desirable, approved. Nothing further, however, has been done since. We had the matter up with Senator Robertson, when he was Minister of Labour, on two occasions, and Senator Robertson was quite sympathetic to the idea of some appeal board; but he did not see eye to eye with the proposals contained in the Order in Council of May, 1930. Incidentally, Senator Robertson had had this question before him and had given it rather favourable consideration when previously in office as Minister of Labour, back in 1920. That, briefly, is the history of the effort that Civil Service organizations have made to secure some practical means of appeal for civil servants, either as individuals or as groups. We now have an alternative proposal, or a supplementary proposal, that we would like to submit. It is this: "We would respectfully request that the Committee give serious consideration to the present lack of appeal machinery, and to the following proposals for the establishment of an Appeal Board. We would propose that there be established an Appeal Board of three members, the Chairman of the Civil Service Commission, who would serve on the Appeal Board *ex officio;* one member, thoroughly conversant with the staff side of Civil Service problems, to be named as representing the Civil Service—"

By the Chairman:

Q. Appointed by whom?—A. We would suggest that he be appointed by the Civil Service organizations, as representing the Civil Service.

By Mr. Bowman:

Q. Who did you say the Chairman was to be?—A. The Chairman of the Civil Service Commission.

Q. Then, you would have another man appointed by the Civil Service Commission?

The CHAIRMAN: No; one member by the Civil Service Federation, for example.

Mr. BOWMAN: Oh, I see.

The WITNESS: "And a third member to represent Government, to be named by the Treasury Board, when matters affecting more than one department are under consideration—"

By Mr. Laurin:

Q. Has this memorandum been adopted by your association?—A. Exactly. As I said before, "a third member to represent Government, to be named by the Treasury Board, when matters affecting more than one department are under consideration, and to be named by the department affected when matters involving only one department are under consideration."

"While necessarily the Board itself would have to determine its own procedure to some extent, the following suggestions are made as to principles which would govern its activities: —

"(1) Appeal may be taken to the Board either by a Department, the Civil Service Commission, a class of civil servants, or an individual civil servant, on staff matters affecting the interpretation and enforcement of existing statutes and orders in council concerning salaries and working conditions in the Service;

"(2) for this purpose "civil servant" should be interpreted as meaning any full time employee of Government on salary or wages (as distinct from those paid on commission or emoluments of office);

"(3) The Board itself should simplify its work by establishing rules of procedure to exclude appeals without foundation;

"(4) generally, matters to be dealt with would affect the following: classification; promotion; suspension; abolition of office; new appointments; hours of employment; the withholding of annual increases; regulations under the Civil Service Act; and the interpretation of existing overtime pay schedules;

"(5) the Board would report to the Treasury Board, in the same manner as does the Civil Service Commission, and also to the parties to the grievance;

(6) representations for changes in existing legislation would not be heard by the Board."

In other words, our suggestion is that it deal with regulations and statutes existing at the moment, but not to hear complaints about existing legislation.

The CHAIRMAN: These are matters that really come within the sphere of Parliament.

The WITNESS: Exactly.

"(7) Civil Servants' appeals might be presented in person, in writing, or by another civil servant on behalf of the appellant.

"(8) Board to be Inter-departmental: It will be noted that earlier recommendations proposed departmental boards in some cases. What is now proposed is an Inter-departmental Board, since distinct departmental boards would scarcely be practical or necessary in many of the smaller departments; since the experience of one department would be made available to all through an inter-departmental board; since final appeals should not be made solely to the authority to whose action exception is taken; and since an inter-departmental board would tend to unify procedure throughout the Civil Service."

The gist of this is, of course, that the Appeal Board would consider and report to the Treasury Board. It is not our suggestion that the Appeal Board, of itself, should have any power to dictate to anybody. It would be—

By Mr. Ernst:

Q. A fact-finding board?—A. Exactly. It would pass its recommendation along to the Treasury Board for consideration and action.

Q. Would it strike you that that would be a fairly busy tribunal?—A. I think not. It might be, at first.

Q. It would probably be in constant session?—A. I doubt it.

By Mr. Bowman:

Q. What about salaries for the members of the Board?—A. Oh, well, there should not be any salaries.

Q. I am afraid you are going to be so busy that you are going to have permanent officials on that Board and have a secretariat.

The CHAIRMAN: The persons that Mr. Phelan has suggested as belonging to that Board are already in receipt of remuneration, Mr. Bowman, in some branch of Government. The only one who would not be so would be the representative of the civil servants, and I presume that Mr. Phelan would act for the service *pro bono publico.*

The WITNESS: *Pro bono* " civil serviceo."

By Mr. MacInnis:

Q. Only cases would be brought before the Council that you would not be able to dispose of in negotiations with the departmental heads?—A. Oh, yes, because we do, from time to time, take matters up with the Departments, either with the Minister or the Deputy Minister or with some official, and, if the matter is satisfactorily adjusted, naturally it dies there.

Q. Procedure of this kind is adopted in large organizations, particularly where the employees have recognized associations, or unions, where, if the superintendent or head of the department cannot deal with the matters, the General Manager is the last resort?—A. Yes. The railways have boards. There is a Railway Board of Adjustment No. 1, at Montreal, which is a joint board representing both the employer and the employee which sits, I believe, once a quarter for one, two or three days to consider small matters in dispute between the employees –between individual employees and the company, or small classes and the company.

Q. That is what I have in mind?—A. The next subject I would like to deal with is that affecting superannuation. Are we at liberty to make a submission in that respect?

Mr. BOWMAN: Does our reference cover that?

The CHAIRMAN: I do not think that comes within the field of our activity, and we would have no power to do anything with it.

Mr. VALLANCE: We are dealing with the Civil Service and the Civil Service Act.

The WITNESS: Of course, it has a connection with the Civil Service Act, in this way, that the means of exit from the Civil Service is an important matter in Civil Service administration.

The CHAIRMAN: May I suggest, if the matter is considered by you to be of importance, that you let us have eight copies of a written memorandum with reference to that.

The WITNESS: We will be glad to do that and we will make it as brief as we can.

The CHAIRMAN: We might try to deal with it as ancillary to our assignment.

The WITNESS: There are one or two points, if I might mention them briefly, which are of some consequence at the present time. For example, when the Superannuation Act was passed, in 1924, and subsequently to 1927, the right to come under the Act was extended to those in the service prior to the 19th of July, 1924. Some, however, through misunderstanding or carelessness, failed to elect to come under the Act and, since 1927, they have been penalized by not doing so—penalized in the sense that if they were released they would fail to receive the benefits of that Act. It seems to us, that the Act might reasonably be opened to give these people the right to come under it.

The CHAIRMAN: Somebody has mentioned that.

The WITNESS: Then there is the matter that the prevailing rates employees be given the right to come under the Act. That is a question we are very much interested in, and we will give you a memorandum on the subject. One of the

remaining points I wanted to deal with is one which Mr. Bowman has touched upon, namely, prevailing rates employees coming under the Civil Service Commission. When I say prevailing rates employees I mean mechanics. We feel that there would be an advantage in these mechanics being brought under the Civil Service Commission in respect of appointments and permanency, even though some latitude in the selection of individuals might have to be left with the department—a latitude which would not exist in the case of clerical employees, but some latitude in the selection to secure competent mechanics. But we do feel interested, however; and some of the employees, notably those in the Department of Public Works in the city here, have asked us to mention the matter to this Committee to see if it could be given some consideration. I think that concludes everything I have to say.

The CHAIRMAN: Have any of you gentlemen any questions you wish to ask Mr. Phelan, arising out of his evidence? I think, Mr. Phelan, that I express the views of the Committee, as well as my own, when I say to you that the Civil Service Federation are to be congratulated on their choice of a president.

The WITNESS: Thank you very much.

The CHAIRMAN: Your submission here has been extremely clear. It has been given in a very intelligent manner, and I am confident the Committee appreciate the moderation with which you have stressed the views in respect of which I know that the feelings of those you represent must be very strong.

The WITNESS: With your permission, Mr. Chairman, and members of the Committee, I might say that it has been a pleasure to come before the Committee. Our experience as an organization, as I mentioned yesterday, in dealing with Departments of Government, is usually a very happy one. It has always been particularly happy when we have been dealing with Parliamentary Committees; we always seem to receive a very courteous and kindly hearing. I think the hearing that has been given to me by this Committee has been at least as kindly and sympathetic as those given in the past, if not more so.

EDNA L. INGLIS, Second Vice President, Civil Service Association of Ottawa, called and sworn.

By the Chairman:

Q. Miss Inglis, would you tell us, at the outset, what is the relation of the Civil Service Association of Ottawa to civil servants; is your membership confined to what is called the inside service?—A. The membership, Mr. Chairman, is confined practically to the Civil Service at Ottawa. The Association does not refuse to take into its membership those employees who previously were considered to have been in what we call the outside service at Ottawa, as distinguished from headquarters at Ottawa. We have also, in the Association, some outside membership throughout the country. They are, shall I say, employees who are in isolated districts and have not an opportunity of really organizing for themselves and look to Ottawa for that channel through which to make their difficulties and problems known. I am sorry Mr. Lawson, our President, has not preceded me. That is the natural way in which this matter should have been taken up, as he would have given you a complete outline of what the Association at Ottawa is.

Q. You have given us quite sufficient for our purpose. I just wanted to get a picture?—A. Now, as I say, we have some members from our London office in London, England. They are direct members of our Civil Service Association of Ottawa. We also have some from the agricultural offices throughout the district who have not any other means of organizing. They come in as

members of the Association at Ottawa. Now, I think, perhaps, in order to place both myself and the problems of the women before the Committee, it would be well for me to say that I have been in the service since 1904. I am what they call an original political appointee.

Q. The patronage system seems to have done very well?—A. I have been converted to the merit system. I came into the Auditor General's Office, in 1904, and remained with that office until 1920, when I transferred over to the Civil Service Commission. I have been with the Civil Service Commission ever since. My work with the Commission is on the Administrative Branch of the Commission, directly on Mr. Foran's staff. My work covered the administration of the Civil Service Retirement Act, introduced in 1920, until 1924. Since that time my work has been special correspondence, Civil Service Commission statistics, parliamentary returns, editing of the Commission's annual report, including the tables, and anything in connection with extracts from Hansard.

Q. Just before you proceed, as we have appeared to disturbed the order which you had planned, if I, or any other member of the Committee, should ask you any questions which you would rather should be dealt with by Mr. Lawson, do not hesitate to say so and we will be glad to leave them for Mr. Lawson to answer?—A. Now, in the matter of women in the Service, we have in our membership a very great number of women. I cannot tell you definitely the number, but I should say between 45 and 50 per cent. of the Civil Service Association is comprised of women, and they are very anxious that some of the difficulties they have encountered in their work should be presented; or, rather, the difficulties should be made known to this Committee. As you know, the Civil Service Act embodies the principle of equal pay for equal work. This theory is carried throughout the classification; that is, each position is classified according to its duties irrespective of the person occupying it. However, the women claim that this does not work out in actual practice; that frequently because a woman is occupying a position it is classified at a lower grade than it would be if held by a man. This situation is attributed to the age old prejudice towards women in business. Unfortunately economic conditions have forced women into business and whether we like it or not they have to be dealt with.

Q. I do not think there is any prejudice against women in this case. My experience is that they get many preferences now.

Mr. CHEVRIER: Well, they are entitled to them.

The WITNESS: May I say that the women of the service are not asking for preference—just their rights.

Mr. MACINNIS: They are objecting to discrimination.

The WITNESS: When the status and probable career of women in the Service is discussed with male heads of departments, the probability of marriage is claimed, by them, to be the factor that interferes with the advancement of women. The fact that the Civil Service Regulations require a woman to resign from the Service upon marriage—i.e. there is what is known as the marriage bar—has an effect on the careers of women who do not marry but remain in the Service. However, this is claimed to be a psychological condition that ought to be corrected. The fact that a male employee may leave the Service after five or ten year or fifteen years has no bearing on his original appointment. So, too, the chance that a woman may marry and consequently leave the Service after a few years should not prejudice her in the matter of appointment.

Now, I think, probably, to give you some idea of the growth of the number of women in the Service, and the way the situation has developed, I will give you a rough idea of the situation.

In 1886 there were twenty-four women occupying permanent positions in the Civil Service, the earliest appointment being a deputy matron in Kingston Penitentiary, in 1870. The next was a lock-labourer on the Williamsburg

Canal, in 1871, and various clerical appointments, including three clerks in the Windsor Post Office, during the years following, up to July 1886. There were also a few temporary employees at this period who were women. In a calculation made from Parliamentary returns tabled in 1928, it appears that of 30,655 civil servants, 5,775 were women. This was exclusive of the Post Office Department, which furnished no data re sex.

From 1900 to 1902 the Department of the Interior probably had a larger proportion of women than any other office, except the Auditor General's which has had a preponderance of women since 1904 and in 1929 employed one hundred and thirty-one women to its eighty-three male employees. During 1931 it had one hundred and seventeen women as compared with one hundred and ten males.

At present, both the Income Tax Branch of the Department of National Revenue and the Department of Finance employ more women than men. In 1908 many temporary employees paid from Outside Votes and "notwithstanding anything in the Civil Service Act," were legislated into the permanent Service and, although definite figures are not obtainable, it is probable that as large a percentage were women as in the "Blanketing-in" which took place from December 16, 1920, to May 5, 1924, when out of a total of 4,060 employees made permanent, 1,159 were women. The Annual Reports of the Civil Service Commission show that during the last twelve years (1920-1931 inclusive) of 30,357 permanent appointments, 4,982 were women; of 54,121 temporary appointments, 11,252 were women. Of all the temporary appointments numbering 54,121, 11,252 were women; you understand that these might be re-employed over again for six months, several times. When it is remembered that the Outside Services of Post Office, Customs, National Defence, Marine, Fisheries, Public Works, Railways and Canals and Immigration, employ few women, some idea is had of the number of women in the Service at Ottawa.

Mr. Coats, the Dominion Statistician, was having prepared for us figures in connection with the employment of women in the Service which I will be able to give you later. They are classified as to the positions they are in together with classes and salaries and the various departments. The statement is not quite ready yet. However, he has been able to give me this figure, 7,617 women in the Public Service, exclusive of postmistresses.

By Mr. Chevrier:

Q. Are those in the classified positions?—A. Yes.
Q. Only?—A. Yes.

By Mr. MacInnis:

Q. At the present time?—A. At the present time. The date actually is the 31st of October, 1931. Now, there are four points to be covered. In order to give you an idea of the difficulties of women in the service, there are four points practically that we want to present to you. One, entrance; next, promotion; next, superannuation and insurance (they are tied up together); and, lastly, Civil Service Councils, or some court of appeal.

While the Civil Service Act and classification make no distinction regarding sex, i.e., examinations for appointment are open to both sexes, unless the requirements of the position demand otherwise, it is claimed by the women that frequently on the specific request of the Department applications are solicited from males only and in practice many positions are closed to women, which might otherwise be filled by them. This results in most women entering the Service as Clerks and Stenographers Grade 1 and 2. Nearly all the lower grade posts in the Service at Ottawa are filled by women, such as Clerks, Grades 1, 2 and 3; typists, grades 1, 2 and 3.

As you know, the Civil Service Act makes provision for the head of the Department to state whether or not the position shall be filled by male or female, and that is the difficulty that the women now are up against. One point I would like to make clear is this, that even supposing certain classes of positions might be advertised now without specifying male or female, possibly some of them might not result in many women applying, but if such a practice were continued ultimately we would have women educated to fill those posts.

The situation is this, a woman completes her University training and is anxious to enter public service. There are few openings for which her qualifications fit her. If she has taken higher mathematics, there is little chance of her getting placed. If she has qualified in modern languages, she may enter as a junior translator, although the secretaryships in the Department of External Affairs, i.e., the Diplomatic Service, are closed to her. That seems to me an awfully unfortunate thing. The British Government does not close this service, its Diplomatic service to women. In the United States there are quite a number of women—I cannot give you the number—but quite a number of women employed in the Diplomatic Service doing extremely useful work.

By Mr. Ernst:

Q. As a matter of fact, for appointment to our Diplomatic Service, we are insisting on a legal qualification, in practically every case?—A. Yes, practically.

Q. And we ask for special training, if possible, in International Law?—A. Yes.

The CHAIRMAN: Of course, there are a great many women who are successful graduates in law. I happen to be married to one myself.

The WITNESS: There is this point; until these positions are open to women there is no incentive to train for them particularly. I am delighted to find that we have such a sympathetic Chairman; we could not possibly do better in that respect.

By the Chairman:

Q. Are the positions of Examiners, in the Examination Branch of the Civil Service Commission, closed to women?—A. No. We have three women holding positions of Examiners in the Civil Service Commission.

Q. It just occurred to me that that is a position which, I think a woman, who is a University graduate, is well qualified to fill.—A. Yes, well qualified. Having tried different channels she finally decides that in order to enter the Civil Service she must learn stenography, since there is usually, i.e., in normal times, a steady demand for stenographers. So most of our University women have to enter the Service through the lower grades. However, if a woman has specialized in Science she has a better chance to enter public service. While not great in numbers there are in the Service at present women analysts, chemists, botanists, bacteriologists and palæontologists and occasionally vacancies occur for which women may apply. The library service is a field open to women. Indeed most of the library positions are held by women, and it is claimed that this fact accounts for the low classification of this branch of the Service. It is very low. The situation regarding women here is in strong contrast with the condition in the Civil Service of the United States. Over there women occupy most important positions in the Public Service and I am given to understand, by a member of the Federal Civil Service Commission, Miss Jessie Dell, that women have almost equal opportunity with men.

It is rather surprising to us to find the number of positions they do occupy. They are chiefs of divisions, in the State Department, and in the office of Controller of Currency and the Treasury Department. They are in the Legal units of the Bureau of Economics. There is a woman, whom I know very well, on the Tax Appeal Board of the United States, in the Customs Department. They are

in the War Department, in the Public Printing and Engraving Department. Then, of course, they occupy very important positions in the Agricultural Department and in the Department of Labour, where they hold positions at the head of various lines of economics such as household economics, and in different branches where they make research into the uses of materials, such as cotton, and so on. I suppose everything I say goes into the record?

The CHAIRMAN: Oh, yes; but we will have expunged anything if you want it.

The WITNESS: I would like to say something if my friends of the Press would be kind enough not to publish it. I would not like the case to be identified. Some years ago, before the Act of 1918 and 1919 was passed, but after the Act of 1908 was passed, it was necessary to fill a vacancy in one of the Departments. We will say, for purposes of illustration, that it was a legal branch, and it advertised to fill this position. A woman applied along with the others. There was great consternation. She had all the qualifications, and the powers that be hardly knew what to do. However, they finally decided they would hold an examination, which they did; but the woman came out first and they had to give her the position. I think that probably that case may have resulted in the care that is taken now in always stipulating, so far as possible, that vacancies should be filled by men—I mean when a specific vacancy is advertised they advertise it for male applicants only.

By the Chairman:

Q. What is occuring to me is this: Is this a matter that can be dealt with by the Committee? Is that not only within the jurisdiction of the Civil Service Commission?—A. It is not under the jurisdiction of the Civil Service Commission, Mr. Chairman, to this extent; the Act permits the departmental head to say how he wants the position filled, whether he wants it filled by male or female.

Mr. CHEVRIER: You say the Civil Service Act?

The WITNESS: Yes.

The CHAIRMAN: You see, if this Committee were to come out and recommend that such a provision be abolished it might lead to very unfortunate consequences in some circumstances. I mean, there is no question that there are positions which women could not very well fulfil. Take, for example, Preventive Officers.

Mr. ERNST: I know of one.

The CHAIRMAN: I am speaking in a general way. They have ladies at the ports of entry who examine other ladies to see whether they are wearing French or American made clothes when they come back from the States; but generally speaking there are positions in the Civil Service which women could not very well fill. If we were to recommend an amendment to the Act, under the provision as it is now, it seems to me it might create a difficult situation.

The WITNESS: Yes. The suggestion that is made, Mr. Chairman, is not that a recommendation of that description should be made, but that as far as possible in opening positions the women should be given an opportunity of competing. Now, we quite agree—the women themselves would be the first to admit that there are many positions in the public service for which the mere fact that they are women renders them unsuitable, but that does not appertain to all the positions.

The CHAIRMAN: I am just informed that the provision to which you are referring is not in the Act but is in the Civil Service regulations. Now, if that is so, these regulations are made by the Civil Service Commission and approved,

I presume, by Order in Council. Well, surely as the matter is one to be dealt with by the Commission, either by an amendment to their regulations or by their persuasive powers with the Department, the requisitions coming in for the filling of a position—

The WITNESS: This is a clause of the Act.

The CHAIRMAN: What section?

The WITNESS: This is section 26, subsection 3: "Except as herein provided, the examinations shall be open to all persons who may be lawfully appointed to any position within the class for which the examination is held, with such limitations as may be specified in the regulations of the Commission as to age, sex, health, habits, residence, moral character and other qualifications that are in the judgment of the Commission requisite to the performance of the duties of such positions."

By the Chairman:

Q. Now, you would not suggest that we should change that?—A. No, I would not.

Q. It becomes a matter of regulation, does it not, by the Commission? These regulations are approved by Order in Council. So that, irrespective of whether we might agree or disagree with the submission which you have just made, it really is a matter within the jurisdiction of the Commission, as I see it?—A. It is rather within the jurisdiction of the Department, because the Commission on the strength of that clause in the Act passes this kind of a regulation. This is section 13 of the regulations:—"Unless the requirements of the position demand otherwise, applicants of both sexes may be admitted to any examination."

Q. All right. Now, that is, to say the least, a gesture on the part of the Commission to give women equal rights with men?—A. Yes.

Q. Now, if the departments preclude women from these positions when they apply to the Commission for an appointee, there is nothing to prevent the Commission from taking up with the Department the question of having these positions open to women as well as men, and in the final analysis, if they are deadlocked, it would appear that subject to the power of the Department with regard to what I may call unsuitability for the position, the Commission now has the ultimate say?—A. Yes. I think one might say that; but, as a matter of fact, if the Department goes to the Commission to fill a position and that position is advertised for male only, I do not think you can expect the Commission to take the stand that it must be open to male and female alike. I really do not think so.

Q. You say that the person who has the ultimate power to make a decision, when somebody else is in disagreement with him should steadfastly adhere to the position that his is the right one?—A. May I point this out, that in the matter of appointments the Commission has before it the recommendation from the Department, and the Department can bring all the arguments to bear, if it desires in support of that. On the other hand, there is simply, shall I say, an attitude of mind against it, or in support of it, and since that attitude of mind is so largely in support of what the Departments ask you can hardly expect the Commission to go against that.

By Mr. Bowman:

Q. As to that point that it is an attitude of mind, after all, that has to be rectified, inasfar as your claims are concerned, by a change of mind which can only be brought about by the women showing their capabilities of filling these positions.

The WITNESS: Largely that. Publicity and education.

Mr. MACINNIS: I do not think it is altogether dependent upon the women showing their capability to fill the position.

The CHAIRMAN: Or demonstrating their persuasive powers.

Mr. MACINNIS: Possibly. And the removing of prejudice by showing reasons. You have to remove prejudice by bringing pressure to bear that will remove it.

Mr. ERNST: Agitate.

Mr. MACINNIS: Yes.

The CHAIRMAN: How can this Committee deal with the situation?

Mr. MACINNIS: I do not see any difficulty for this Committee to make a recommendation that, where there is no particular or definite bar to the employment of women, all positions should be open to them on the same basis as men.

The CHAIRMAN: They are now. Our recommendation is to the House of Commons, not to the Deputy Minister.

Mr. VALLANCE: Unless the requirements of the positions demand otherwise.

Mr. MACINNIS: According to the evidence that is laid before us now, the prejudice of the head of a department interferes with the proper functioning of that clause of the Act.

Mr. VALLANCE: Would changing the regulations change the attitude of mind? I am in sympathy with Miss Inglis; I think it is an attitude of mind.

The CHAIRMAN: I do not see how this Committee can help the situation.

Mr. MACINNIS: I think it comes down to the same thing that we have found on so many occasions, that the Commission do not want to go contrary to the wishes of the heads of Departments.

The CHAIRMAN: All right. Then we cannot change that view. I am trying to see if we can do something to assist in the situation which Miss Inglis presents. At the moment I am at a loss to see what we can do.

The WITNESS: May I say this, that I have seen a good many Commissions sit on Civil Service affairs, and I think that any recommendation—by any properly constituted body of members of Parliament, or experts, which we have had called in at different times to deal with Civil Service affairs—has had a very appreciable effect on public—and departmental—opinion in connection with Civil Service affairs.

By Mr. Chevrier:

Q. Section 13 of the Civil Service regulations reads, "unless the requirements of the position demand otherwise, applicants of both sexes may be admitted to any examination."?—A. Yes.

Q. Now, that is the law as it stands today; that is the regulation?—A. Yes, it is the law.

Q. It is the regulation made under the law, but it is not in the Civil Service Act; it is in the Civil Service regulations?—A. Yes.

Q. Now, then, inasfar as I am concerned, I quite appreciate the value of your arguments, but at present I do not see how I could make a recommendation to change this, because we are here investigating something for a special purpose. The only thing I could see would be for us to express a pious wish to the departments that, in the future, if the practice that you complain of has been abused, they give to women a larger latitude. I suppose that is about as far as we could go?—A. That is about as far as you can go—the expression of an opinion. I think the expression of opinion from this Committee will have a very decided effect. Now, I have taken these positions at random during the last year or so. These positions were advertised for males only. I do not want particularly to

indicate the department—that is always invidious—: "Junior Botanists; Principal Clerk (male), for the Administration branch of the department of Mines; Editorial work, Editor, grade 1, male, Commercial Intelligence branch; Chemist, cereal, Agricultural, (male), Experimental farm; Principal Clerk, Statistics; Actuarial clerk, Insurance.

By the Chairman:

Q. Those are positions which you submit women are equally well qualified to fill, if not better qualified, than men?—A. I will not say better.

Q. Well, say equally qualified? I have no hesitation in saying I am inclined to agree with you offhand unless there is some specific reason.

Mr. BOWMAN: A lot will depend upon the circumstances.

Mr. CHEVRIER: All things being equal.

By Mr. MacInnis:

Q. Have you any statistics showing the length of service of women in the departments at the present time, women who have come in the departments and dropped out?—A. No, Mr. MacInnis, I cannot give you that, not in any form in which it would indicate very much.

Mr. BOWMAN: We have these records on file in returns given by the various departments in which names are given of all those who have dropped out since 1925. A considerable number of them are on record now.

The CHAIRMAN: There was a return brought down in the House showing all the married women in the Civil Service, those who had to maintain themselves or had dependents. I think that was fairly complete.

The WITNESS: Yes, it was a very complete return.

Mr. MACINNIS: What I had in mind was one of the arguments brought against women in any particular position in regard to receiving equal pay for equal work, that they are usually only taking the position as a temporary thing, until they get married, which is supposed to be the general outlook of all women.

The CHAIRMAN: That has changed.

Mr. MACINNIS: If Miss Inglis had those figures, as to the length of service of women in the departments and those who have dropped out, it would be the best argument against that or for it.

The WITNESS: Yes. I think that would indicate a good deal. Of course, practically since 1900 there has been a general influx of women into the service. There are a great many women in the service now who have been there for twenty or twenty-five years, and some for thirty-two or thirty-three years. At present there are in the service 1,365 women over the age of 50. Now, those women were not old when they came in. Those women have had service ranging from, well, I should say, twenty or thirty years. This statement which Mr. Coats will supply will give you a good deal of information, Mr. MacInnis, along the line you suggested.

Mr. ERNST: It was suggested, I think by Commissioner Tremblay, that the retiring age for women should be lower than for men.

The CHAIRMAN: No. It was not Commissioner Tremblay. There was a statement made by Mr. Putman, I think, that the retiring age should be lower for women because they wear out more quickly than men.

The WITNESS: I can say this, that I think women who are doing lower grade work, say, class 2 work, whether it is stenographic or clerical work, and continue at that work through the long period of years, twenty or twenty-five years, do wear out. I think that very monotonous work of that description is very ageing, and there is a feeling amongst some women in the service that they be allowed

to retire voluntarily at sixty rather than sixty-five. The voluntary age, as you know, is sixty-five, but there is no unanimity of opinion on that subject. Certainly women who are in the service for a long time and gradually get to be doing important work do not get old, and they do not think sixty-five so very old.

Mr. ERNST: Not to-day anyway.

The CHAIRMAN: That is a common view with the men too. There are very few men who think they are old at sixty or sixty-five.

Mr. BOWMAN: Now, that is suggestion number one. What have you got for number two?

The WITNESS: In connection with promotions, women labour under a somewhat similar difficulty here. There is a tendency on the part of some deputy ministers and heads of branches to claim that certain vacancies can be filled only by the promotion of male employees and in advertising the competition, applications are solicited from men only. While the women, themselves, are the first to admit that some positions can be filled more acceptably by men, they claim that in many instances this practice of restricting promotional competitions to male employees creates a serious impediment to the advancement of women in the Service, and when continued over a period of time destroys initiative and tends to promote indifference and inefficiency.

In one Department the situation became so unbearable to the women that they were goaded into an appeal to the Prime Minister. When he referred the appeal to the department head he was advised that it was the considered policy to eliminate women from all but the most minor posts. Undoubtedly, as the departmental head is responsible for the conduct of departmental business, he must be given a free hand, under the Civil Service Act and regulations, with respect to his staff—but in this connection the women claim that an injustice is being perpetrated when discrimination is made respecting sex.

Mr. BOWMAN: That is another case of the removal of prejudice?

The WITNESS: Yes. Prejudice. Comparatively few women in the Service have been rewarded for meritorious service by promotion. The only women Chief Clerks are those private secretaries to Ministers who have been so classified and granted permanency, as a result of the amendment to the Civil Service Act of 1929. They number five. Theirs can scarcely be considered service in the Public Service, nor can they be considered as promotions. Besides the posts of Chief, Division of Child Welfare; Supervisor of Personnel, Civil Service Commission; Chief Dietitian and Chief Matron, Department of Pensions and National Health; and Supervisor of the Women's Division, Department of Immigration and Colonization, all of which have special classifications, there are only seven women holding Head Clerkships. There are one or two Secretary Clerkships filled by women and only thirty-five Principal Clerkships. These women, with few exceptions, have given almost a lifetime's service to their respective departments. Practically all departments have their Secretary to Executive who is a woman. Not many women have been classified as Clerk Grade 4, and this is a class the women consider should be opened to them more generally. There appears to a rooted objection, on the part of some heads of departments, to promote women to Grade 4 Clerkships and beyond.

I probably will, this afternoon, have that statement from Mr. Coats which will show us exactly the number of women in Clerkship, grade 4. In connection with stenographic classes: the stenographic classes feel that a class Grade 4 Stenographer should be added to the classification. The practice, at present, is to deal with exceptional cases by reclassifying them as Clerk, Grade 4. It is felt that this curtails what should be legitimate promotions. Furthermore the adding of the fourth grade to this range of position would permit of special recognition being given to those stenographers who do bilingual, special or technical work.

By Mr. Bowman:

Q. There are three grades now among stenographers?—A. Yes.

Q. What are the salaries?—A. From $720 to $1,020; $1,080 to $1,380; Grade 3, $1,380 to $1,620.

Q. What is it for typist?—A. Typists are the same. That covers clerks, typists and stenographers. The three grades are the same in all classes.

By the Chairman:

Q. Do not some of the girls who are law stenographers get higher than $1,620?—A. Well, I would say that they must be classified as Clerk grade 4, and in that case they get from $1,620 to $1,920.

By Mr. Bowman:

Q. What class is that?—A. Clerks, grade 4.

Q. Do you know what proportion of the stenographers and typists are grades 1 and 2?—A. No. I cannot give you that. Possibly Mr. Coats' statement will give that definitely. In most of the departments they deal with the stenographers by means of a pool; they pool their stenographers. This method, which was instituted by the Commission, is considered particularly economical both in space, time and also salaries, so that when a stenographer is not working for one person she is working for another. The bulk of the stenographers in pools are grade 2.

Q. That seems to be a pretty fair salary, $1,080 to $1,380 for a grade 2 stenographer. Where in ordinary business will you get stenographers receiving that amount of money? For instance, in Insurance offices, in banks and law offices and other similar institutions, I question whether you will get many girls running from $1,080 to $1,620.

The CHAIRMAN: Surely it depends upon the locality. We have not a girl in our office getting as low as $1,080 a year.

By the Chairman:

Q. With regard to a stenographer who is a grade 2 stenographer, can she type 160 words a minute?—A. I hardly think so. 110 words is what they are supposed to write. My stenographer is very good. Of course, she is Grade 3, but Grade 2—

Q. How many words a minute does a girl have to write to pass an examination for Grade 2 Stenographer, Mr. Bland?

Mr. BLAND: Ninety, and one hundred and ten.

The CHAIRMAN: How many words can she typewrite?

Mr. BLAND: She is supposed to type at forty words a minute.

The CHAIRMAN: Are they all writers by the touch system?

Mr. BLAND: It is not obligatory, but I think they all are.

By Mr. Bowman:

Q. How long does it take a stenographer in the ordinary course of events to get up to Grade 3?—A. Grade 3? Oh, it might take her ten years. It might take her longer than that. Nearly all Grade 3 stenographers have considerable experience.

Q. And Grade 2?—A. No stenographer can come in as Grade 2, without having had at least a year's experience outside. There is a tendency, I might say, throughout the departments not to want a Grade 1 stenographer.

Q. So that they practically do get in?—A. No. I will not say that. They do not practically get in as grade 2; but there is a tendency to want people to

come in after having had some experience, and they do come in at $1,080. Then, of course, it takes another six years to go from the minimum of grade 2 to the minimum of grade 3. I will say this, that most of these people go right along to their maximum. The question of promotion is not considered very much until they get to the maximum.

Q. What grade do you mean? Grade 2 or grade 3?—A. In both.

(Statement showing the numbers of employees in classified positions at the maximum salary of their classes filed by Civil Service Commissioner to be printed as Appendix "C.")

The Committee adjourned to meet at 3.30 p.m.

AFTERNOON SESSION

The Committee met at 3.30 p.m.

Mr. Lawson in the Chair.

Miss INGLIS, recalled.

Gentlemen, if I might start out by correcting a misapprehension that seems to have been abroad this morning, I started by saying about 40 per cent, or 45 per cent, of the Civil Service Association of Ottawa, consists of women. The idea seems to have been that I was speaking of the Service generally.

The CHAIRMAN: No.

The WITNESS: Before leaving the question of promotion entirely, if there could be some system devised whereby—it is really I might say as a personal opinion rather than an Association opinion—there should be more flexibility in connection with transfers. As it is in the departments, promotions are confined to departments, frequently closed to the branches in certain departments, and the feeling is that if a greater flexibility could obtain, in the matter of promotion and transfer from branch to branch, and from department to department, ultimately we would have higher trained officials at the head of branches—not implying that our present heads of branches are not highly trained, because they are; but this system, obtaining as it does at present, where a vacancy should be filled by promotion as far as possible, we can conceive, a period over several years, of a situation obtaining where the higher positions might very possibly be filled by people of mediocre education and talent or ability, which would be very undesirable.

Now, if I might touch on the matter of superannuation, as it affects the women in the Service. In the matter of superannuation, the women have been given particularly unequal treatment; they pay exactly the same rate as the men, that is, five per cent, of their salaries. Yet it is impossible for them to reap the same benefits. For this reason many of the women did not elect to come under the Superannuation Act of 1924, when it was passed. Of the women who were in the Service when the Act was passed, on July 1st, 1,585 at Ottawa and 715 outside of Ottawa elected to come within its terms—now these figures indicate a very large percentage of the women who were in the Service at that time and are still in the Service will fail to benefit by superannuation—they will remain under the Retirement Fund. This is unfortunate. The superannuation scheme should embrace the entire personnel.

[Miss Edna Inglis.]

By Mr. Bowman:

Q. Do you suggest that it should be made compulsory?—A. Well, it is, for the people who come in now, who have come into the Service since the 1st of July, 1924. I do not suggest it should have been made compulsory, not at all. I consider that people enter the Service under certain conditions and when these conditions were changed they should be given the right to elect.

Q. What do you suggest now?—A. I mean many women have not elected to come under the Act, for the reason the terms are so unequal, as far as they are concerned.

By The Chairman:

Q. What are the inequalities?—A. To begin with, in the Superannuation Act a male employee has the benefit of insurance. In no case have the women this protection, except a widow with a family.

By Mr. Chevrier:

Q. In what way? I think you are not making it clear?—A. Under the Superannuation Act, if a man dies, either before or after superannuation, his widow would receive half what he would get were he retired at that time; if he is enjoying superannuation, she receives one-half the superannuation of which he was in receipt. The children under the ages of 18 would receive, also, consideration up to the amount of 25 per cent., or one-quarter. The widow would get 50 per cent., and the children 25 per cent.

Q. Additional up to 50?—A. Which makes 75 per cent—of what the employee would receive had he been superannuated as of that date.

Q. The children at what age?—A. Up to 18.

By Mr. Bowman:

Q. In other words, while you were paying the same fees, paying the same proportion, the men get these additional privileges?—A. If a man dies, a man with dependents, his widow or family get these returns, but with the unmarried employee, the estate gets nothing.

By the Chairman:

Q. Supposing a spinster dies and has dependents?—A. All the return received is the return of the contribution without interest. The difficulty there is how much a person may be dependent. I have in mind a case, a very sad case, that came to my notice not long ago. This woman had an aged mother to keep. If she went into the superannuation—it might be difficult to prove, although her mother was actually dependent on her—it would be a difficult thing to prove, before the Treasury Board, the fact she got from her son an income of $200 a year, might jeopardize the whole case. She elected not to go under superannuation. Her mother, in the last two years, had died. She herself is a woman between 50 and 60, had been laid off from the department and all she gets is her small contribution. I think she was a clerk, grade 3.

Q. What about the case of a married woman, working in the Service, who may have young children?—A. The children will get her contribution. They come under the dependent clause, you see.

Q. Do the female employees, without dependents, rank equal with male employees without dependents?—A. In so far as a man is always the potential head of the family, he really gets that insurance whether he needs it or not.

Mr. BOWMAN: We can only take her representations. As a matter of fact, we have no authority to deal with the Superannuation Act. The suggestion the women have to make, and a suggestion they would like to see this Committee make, as applying or having a bearing on the Civil Service generally, is that there should be a minimum return of contributions to the estate in the event of death.

[Miss Edna Inglis.]

By the Chairman:

Q. Which minimum would be something in excess of the actual contribution?—A. No; just actual contributions.

Q. Do you get them now?—A. No.

Q. It is only if there are dependents upon the spinster who does, or the married woman, that the dependents may receive an amount equivalent to the contribution?—A. Yes, otherwise there is nothing.

By Mr. Bowman:

Q. Nothing goes to the estate at all?—A. Nothing goes to the estate at all. That is what has kept so many women out of it, and the same arguments that could be advanced originally in applying superannuation to the Service can be advanced in this case, because it is most undersirable that part should be under superannuation and part not.

Q. As a matter of fact, do you not think the individual would be just as far, if not further, ahead if she spent the same money in taking out insurance, if the women paid the commensurate rate? So they would then be in possession of a certain amount of money which would pay for insurance in outside companies—where they could take out endowment insurance, for example. It really seems to me if a woman was paying less into the superannuation fund she would get greater returns proportionately by investing in ordinary insurance?

The CHAIRMAN: The same thing would apply to the whole system, but unfortunately one does not do voluntarily those things which it is not difficult to do, if they are compulsory.

The WITNESS: Linked up with that is the inequality obtaining in connection with the Civil Service Insurance Act. It was a long time before the Act was amended, to permit women to take out policies and even then, under unequal conditions. If a woman marries she is required to drop her policy—the only recompense offered her being the cash surrender value which, by the way, is not actuarily calculated. It is, roughly speaking, about forty per cent of the premiums. Or a paid up policy which could be purchased by the premiums already paid. Women have frequently to provide for their dependents in this manner. Out of 9,000 policies carried by civil servants, less than 100 have been taken by women; if this inequality were removed, they could avail themselves of this insurance.

Q. Is the insurance carried under the Civil Service Insurance Act self-supporting? Is it on an actuarial basis?—A. I think so. Yes, I am quite sure it is.

By the Chairman:

Q. In that case, I do not see there should be any objection. What is the reason for the inequality, if it is on an actuarial basis? If that is the case, surely the factor of the number of women who are likely to marry, and therefore drop the policies, would not come into the calculation?—A. What they tell me in the Insurance department is, of course, a woman is considered a greater risk under those conditions.

Q. That is probably so because the average life of a woman is less than the average life of a man, under insurance tables. My recollection is that on the actuarial tables a man has 59 years and some months and a woman 52 years and some months to live—all these factors must be taken into consideration by commercial insurance companies writing insurance every day.

The WITNESS: It is felt by the many women throughout the Service that the establishment of Service councils would result in their receiving fairer treatment. In councils they would have a chance of stating their difficulties, which is the initial and perhaps the most important step in having them corrected, and I should like to state that the women stand four-square for the merit system and

the submission of their difficulties to a council in which they would have representation. At the present time they are told that the Commission is acting on the recommendation of the Department. The hands of the Commission are tied; women find themselves up against a departmental attitude which is unsympathetic and which seems impossible to break down. I had a very interesting experience, when the Civil Service Commission was administering the Calder Act—the Public Service Retirement Act of 1920. We retired, in this time, 2,284 civil servants. In that Act there was provision made for an appeal to the Civil Service Commission. Each person had to be notified of his retirement; he was given an opportunity of coming to the Commission and stating whether he wanted to appeal. They frequently came with members of Parliament, with lawyers, or anybody they thought could support their case. The department also appeared and we had a regular court of appeal. I acted as clerk of the court. To me it was amazing, the satisfaction it gave people, who went away from this appeal court, knowing that there was not really going to be any change in what had been recommended in the first place; but they went away from this court of appeal, satisfied they had stated their case. The Department had stated its case—there was a general feeling of satisfaction all around. In that time we dealt with 263 appeals. Only 47 were allowed; 90 were definitely disallowed and several recommendations were withdrawn. In several cases action was postponed for a few months. I merely cite this as an example of what can be done in the matter of an appeal board of some kind or another. Now, the women of the Service are very anxious that some tribunal should be set up, such as either a National council, or an Appeal Board, on which the Service itself should have representation and to which not only class appeals but appeals of nation-wide importance should be dealt with; individual appeals as well.

Q. You probably heard Mr. Phelan suggest, yesterday afternoon, during his evidence, that where a Department recommended some change in classification or something of that kind and the Organization Branch of the Civil Service Commission recommended against it, both sides should be heard before the Commission to determine the facts. You are supporting that view, I understand?—A. Yes. I was going to say, in some cases, I understand, and I am quite sure I am right in this, that the Commission does consult with the Department.

Q. That is the next thing I was going to ask you, because you are right down in the Civil Service Commission. Is there anything of that nature occurring now?—A. Not exactly that. Sometimes I think what could be set right is this: when a decision is reached by the Organization Branch they should not go straight to the Commissioners with their report; ultimately they must report but they should also consult again with the heads of the departments.

Q. The Organization Branch?—A. The Organization Branch, but they are not compelled to do it.

By Mr. Bowman:

Q. When making their appeal, is not an informal board set up by somebody from the Organization Branch or somebody from the departmental branch?—A. That is in connection with the initial appointment, but we are discussing reclassification.

The CHAIRMAN: Mr. Phelan left a very distinct impression on my mind, at least, that in substantially all the applications for reclassification, where the Organization Branch of the Civil Service Commission disagreed with the request or recommendation of the Department, that the Department's case was never heard before the Civil Service Commission and that his view was that there should be a formal hearing, in which both sides should be presented and the Civil Service Commission should act as the tribunal to determine the question?

The WITNESS: I think your use of the word "formal" is well chosen there. There is, in many cases, an informal hearing; that is, the Civil Service Commission is usually aware, either through memoranda or otherwise, why the Department is asking for the re-classification.

Q. Initially?—A. Yes.

Q. And subsequently they have a recommendation from their Organization Branch?—A. Yes.

Q. So that, to the extent the department's attitude is conveyed in this original request, the Civil Service Commission have before it both sides of the question?—A. Yes.

By Mr. MacInnis:

Q. I should think this council that hears grievances would have a beneficial effect on the morale of the Service?—A. Yes, that is what I do think. I think that, if I might put it this way—I think that even supposing you do not get what you want—and when I say "you" I mean the individual civil servant, knowing why you don't get it, places you in a totally different frame of mind and should not, except in very few instances, have the effect of destroying efficiency.

The CHAIRMAN: I quite agree with you. To the extent that we have the power to consider the matters submitted to us we shall try and give the ladies whom you represent every consideration.

The WITNESS: I thank you very much, Mr. Chairman.

VERNON L. LAWSON, President, Civil Service Association of Ottawa, called and sworn.

By the Chairman:

Q. You may proceed?—A. I am the president of the Civil Service Association of Ottawa. On behalf of the Civil Service Association of Ottawa, which is probably the oldest and largest organization of civil servants in Canada, I desire to make certain representations to this Parliamentary Committee dealing with matters pertaining to the Civil Service of Canada. First, I am directed by my organization to endorse the representations made to you by Mr. Phelan, president of the Civil Service Federation of Canada, of which federation we are an affiliated body, and those representations we fully endorse in general and in particular. There are certain other matters which I wish to bring before you. I understand that representations regarding the Superannuation Act can not really be urged before you, but I should just like to say this, if I may, that we believe that the minimum return should be the amount of the contributions without interest; and we further desire that the Act be amended to provide that all civil servants on stated salary, who are not yet contributors, shall be permitted to elect to come under the provisions of the Act. We urge that the benefits of any promotion shall accrue to the individual from the day such promotion is effected. At present that is not the case always and we think it should be a uniform rule in the Service.

Q. Do you mind if I interrupt you to ask if that is not something dealt with by Mr. Phelan. If I understand you, the matter you just mentioned was a matter dealt with by Mr. Phelan?—A. I have a mandate to emphasize the particular points I am mentioning now. I did not hear all of Mr. Phelan's evidence, so I am a little in the dark as to that.

Q. We will check it up as you go along?—A. We would ask this Committee to recommend to Parliament that some machinery of appeal be made available for the benefit of those civil servants who have reason to feel that

they have a real grievance. Coupled with the idea, I suppose, the outsider, the non-civil servant would say councils are about the same thing, but they are not, to our mind. As far as Civil Service councils are concerned, our organization believes we should have a National Civil Service Council to deal with the large matters relating to the Service—a permanent tribunal before whom the Service might, from time to time, make representations to solve such problems as are bound to arise in the Service in Canada.

By Mr. Bowman:

Q. Would the personnel of that Council, or court of appeal, as suggested by Mr. Phelan, be satisfactory?—A. No. I have a memorandum here of our platform on that, if the Committee would care to have me submit it.

Q. It is quite all right, if Mr. Phelan is in accord with what you say. I asked Mr. Phelan with respect to the question of salaries. He said he did not think there should be any salaries paid. You suggest having a permanent tribunal connected with the Association?—A. Yes, both in connection with the National Civil Service Council and the court of appeal. I suggest it might be set up in the same way as the present advisory council on superannuation has been set up. There is no remuneration paid to those persons acting in the capacity of members of that committee.

Q. You can appreciate the difficulty that this Committee would have in endorsing any suggestion to set up, at this time, an expensive tribunal, or council?—A. We do not ask that now, nor in times of prosperity. That is not our idea. There is another suggestion that, I think, was overlooked by previous witnesses for the Civil Service, and that is the matter of long-term temporaries. We think they should be blanketed in and, at as early a date as possible, steps should be taken to bring that about. There is a question regarding appointments made by the Civil Service Commission with regard to departments, that the department should not have the power to reject that appointee without a fair trial. It looks as though the department may reject the appointee on any trivial ground, for any reason, or no reason; is it not apparent to us why many rejections are made.

Q. I find, on going over some returns from the different departments, a lot of those rejections are made without the departmental head having an opportunity of examining the appointee?—A. Without having taken an opportunity.

Q. Yes, or without his having been given an hour's probation?—A. We think the appointee should be given an opportunity to prove his ability and fitness to serve in the position assigned to him by the Civil Service Commission.

Q. I was just wondering on what grounds a man or a woman, as far as that is concerned, could be rejected without being given some trial.

The CHAIRMAN: "Unsuitability." That is the word we had told us here.

By Mr. Bowman:

Q. That would hardly apply where the person was not given an opportunity for a trial at all.

Mr. MACINNIS: I think that is stated, the position taken by the Commission's Chairman.

The WITNESS: It may be that in some cases a departmental head has in mind the appointment of a particular person and for that reason he rejects other persons who come before him on the list. I do not know what is the reason but, in any event, there are a large number of rejections. We think that the appointee assigned by the Civil Service Commission, having qualified himself for the position, should be given a full and complete opportunity to prove his ability to fill the position.

There is another matter: The Federation with which we are affiliated and the Association are not presenting any general case on the salary problem, as the present peculiar circumstances would appear to make it inadvisable to do so, but I would like to observe that we are reserving our plea with the intention, when the financial condition of this country presents a better opportunity, of stating it then.

The CHAIRMAN: And when some group other than those that now form the Committee will have an opportunity of listening to it and dealing with it.

The WITNESS: Now, I would like to break a little fresh ground. There is the piece of legislation known as the private secretaries' amendment to the Civil Service Act, properly known as Chapter 38; 19-20 Geo. V, an Act to amend the Civil Service Act, assented to June 14, 1929, which we believe to be decidedly contrary to the principle of the merit system. Perhaps I could put it this way: A new government comes into office following a general election. A minister brings to Ottawa a young man he has selected to be his private secretary—John Doe. Already in this department is one Richard Roe, who has been employed in the Service for twenty years, having successively held a junior clerkship, a principal clerkship and now is a head clerk—these various advances having been effected by promotion after the usual investigation by the Civil Service Commission. Richard Roe is now looking forward to a chief clerkship. There may be only one chief clerkship in that department; the present incumbent is some years older than Roe and is due for superannuation in a couple of years or so, but manages to hang on—human nature—most of us would do the same. In the meantime the ministry, with a small majority, is getting ready for the inevitable general election which in four years follows. The administration is changed. Under the legislation I have referred to, the minister, ceasing to be a minister or member of Government, the said secretary (John Doe) "shall thereupon be appointed to a permanent position in the public service classified not lower than that of chief clerk, provided that the said secretary has been acting as such for a period of not less than one year." The department has no need, or no place, for an additional chief clerk. The elderly incumbent is now retired and John Doe fills the position. As a consequence Richard Roe's opportunity is postponed for years or it may be forever. Further, the principal clerk next in line to Richard Roe, the clerk grade 4, the clerk grade 3, grade 2, grade 1, all efficient public servants, all are in a like predicament. The line of promotion in that department is blocked indefinitely. Not only may this unfortunate circumstance occur after a general election, but it may occur in any department, at any time during any administration, when any member of the Government ceases to be a member of that Government.

Of course the evil is multiplied after a general election and change of ministry. Every private secretary having served as such for one year, must be provided with a chief clerkship, thus blocking the line of promotion for nearly a score of groups of civil servants in as many departments.

There is nothing personal in this objection we raise. We believe most private secretaries (for the most part young men, or women) to be capable, efficient, and worthy citizens. We concede all that. But in our opinion, as compared with the "permanent" civil servant in a given department, who has made public service his chosen field of endeavour, the private secretary has not the inherent right to a comparatively high position over the heads of these more experienced.

We submit, therefore, that the amendment to the Civil Service Act which I have quoted should be repealed, as a piece of legislation which most unhappily violates the just principle of the merit system.

[Mr. Vernon Lawson.]

By Mr. MacInnis:

Q. That is the amendment of the 14th June, 1929?—A. Yes. We object to it as a violation of the merit system.

By the Chairman:

Q. By the merit system I presume you mean the present so-called competitive merit system in which the presumption is that the man having the highest qualifications gets the position?—A. Yes, other things being equal. That, I think, is the general understanding of what we term the merit system. I believe that covers about all the ground I was asked to speak on specifically.

Q. Just before you leave that—I am not expressing my conviction, because I will reserve it until after all the evidence is heard, but I have no hesitation in saying that I express my view to you, at the moment, to see if you can develop anything that will change my present view. This is a democracy and the people must have some rights. We must have cabinet ministers and there is no question, if a cabinet minister is going to function efficiently in that office, he must have as his secretary, someone in whom he has absolute confidence. Truly it may be a man who was previously a private secretary; on the other hand it may not be; he has to get a secretary and under our present merit system, it is called, the secretary must be paid by the government and as the political life of any cabinet minister is very uncertain, surely it is necessary some provision must be made somewhere for that secretary. Ordinarily a man who has the executive ability to hold a position as private secretary to a minister for any considerable period of time must have some qualifications and, in the main, from my observation, fairly high qualifications. Even though we favour the merit system, must there not be some latitude in it in providing for these secretaries, even though it may dislocate what we might call a direct line of succession for promotions?—A. We concede that these people who come in as private secretaries have ability. I think on that part we agree, but we do not think the line of promotion should be upset by projecting these people into the Service when there is no place for them, a specific position of chief clerk. What I do think might be done—the statute says not lower than chief clerk, seldom higher, unless the man has some technical qualifications such as engineering—a position could be found for him. I think I could put it this way, that these private secretaries might go on an eligible list for a class of position, fairly high in character, for which they might compete.

Q. Then they are in no better position that any part of the general public? —A. Yes, I would give them a special examination, open to that class.

Q. But you are dislocating your competitive merit system. You are going to allow these men by special examination, presumably easier than that which would be set for a special classification. You only postpone the evil?—A. All of these private secretaries have not the same qualifications when they come into the Service. They are not equal in ability or efficiency. They are not the same age. There are some differences in their abilities and capacities and moreover they are paid different salaries, as a recent return to the House shows. Therefore I think this competitive examination should be set up as a sort of test, something to guide the Civil Service Commission in assigning these men to suitable positions.

Q. How many positions are there in the Civil Service as chief clerk. Can you tell me, Mr. Bland—approximately?—A. In the neighbourhood of 200 or 250, with that salary. I will not say they are all chief clerks.

Q. How many private secretaries were put into the Civil Service since the election of 1921?

Mr. BLAND: There have been 54 altogether.

Q. In how long?—A. Since the Act was passed.

Q. That would be since 1918?

Mr. BLAND: I am trying to get it.

Q. Fifty-four since the Act of 1929?—A. Fifty-four since—since about 1920.

By the Chairman:

Q. How many positions were filled by private secretaries annually?

Mr. BLAND: I was trying to figure something out for one year, 1919, since the government changed.

Q. If we add a few to that we will get an average over four years, or would you think, Mr. Lawson, over a period of years the number of private secretaries injected, if I might use that word, into the Service, under this Act to which you are referring would exceed an average of 5 a year, say?—A. Possibly not. I do not think anyone has any means of knowing lengths of parliaments. Private secretaries might change. There is the one year clause mentioned. A private secretary for one year may be injected into the Service.

Q. Even if we take it as high as ten years there would be 10 out 200 to 250 possible positions, so take 10 out of 200, the maximum one way and the minimum the other, it figures out about 2 per cent, does it not?

Mr. MACINNIS: I think Mr. Lawson is objecting to the principle.

The CHAIRMAN: I do not mind telling you this is one situation that gives me some concern, and I wanted from Mr. Lawson an expression of his views on it?

The WITNESS: It is giving considerable concern because of the long line it upsets.

By the Chairman:

Q. In private commercial life do not we get back to the same situation. Men may be in insurance companies, or loan companies, and feel they are in line for promotion, the insurance officer or the district supervisor, and yet the exigencies of the business necessitate people being brought in from outside and put over their heads?—A. True, but in commercial life there is not a printed rule which is liable to bring in so many at stated intervals.

By Mr. Bowman:

Q. I suppose it is a strain on the Service, that so many being brought in at one time upsets the line of promotion, and I suppose, more than that, causing a feeling of discontent in the Service, "Well, this gentleman is brought in with a year or two year's of experience and I have had longer experience?—A. It is a natural feeling to have, and it takes a long time to wear off, once catastrophe occurs. A man is stopped by an outsider coming in.

By the Chairman:

Q. A promotion in the Civil Service, I suppose, means an increase in salary? —A. And it is proverbially slow.

Mr. CHEVRIER: When there have been a number of inroads made on the merit system, I have no hesitation in saying, right now, it is my mind there is another encroachment and that is the thin edge of the wedge. I am not in favour of that legislation at all.

Mr. MACINNIS: I think I agree with you.

Mr. CHEVRIER: In four years you get twenty odd people injected into the service. If we tie up the legislation, why cannot we do something else by legislation to wreck the whole system. That is the thin edge of the wedge.

The CHAIRMAN: It appears that since this Act came into force in 1929 there have been eleven private secretaries appointed to permanent positions, classified not lower than chief clerk. Somebody gave me a figure of 54. Is that just an estimate or may I take it this return of the Civil Service Commission is accurate. It gives the names and particulars and what positions they were appointed to.

Mr. BLAND: The number 54 was from memory, I was speaking without the list, and I was figuring since 1919.

By Mr. Chevrier:

Q. Were all of the private secretaries of the last administration appointed to chief clerkships.

The CHAIRMAN: No. I know half a dozen of them personally who were not.

The WITNESS: Under the legislation they may be. I have not the figures. I do not know, but the legislation is there, and we think it is improper legislation, with all respect to Parliament.

By the Chairman:

Q. Many members of Parliament think, from time to time, legislation as passed is not good legislation.

By Mr. Ernst:

Q. Mr. Lawson is protesting against legislation which permits private secretaries to take positions over the older men?—A. In each case, of these 11 or 19, whatever the figure is, it caused a great deal of heart-burning in the Service. It is this appointing, a bolt from the blue, where a private secretary gets a position for which a man has worked for 20 years, and probably a younger man, who has forever blocked the older man's opportunity for promotion.

Q. Do you suggest it is more suffering on the civil servant than it is on people working in private commercial fields?—A. No, I would not say that, but in the Service it is settled by legislation in a sense. In the commercial world the individual who feels that he should have the preference may have an opportunity for an argument. There is no argument in the Service. There are many positions in the public service, even under the Civil Service Act, where men take their chances on length of service. Take, for instance, engineers on construction work—the Welland ship canal, for instance. They go into that, knowing it is of temporary duration. Some of those people have been on that job for ten years; some probably ten or fifteen or maybe twenty years; others have been there for shorter periods, anywhere from two or three years up to ten or fifteen.

By Mr. Chevrier:

Q. Would it not be just as well to have permanent private secretaries?—A. I should think so. I heard a minister of the Crown say not long ago that the person who held the position of private secretary before he came into office was perfectly capable and—

Q. Are there not many secretaries serving present ministers who served other ministers?

Mr. ERNST: Yes. That is a matter individual with the minister. The secretary must know the most intimate details of the minister's business.

Mr. MACINNIS: I do not know why private secretaries should be provided for, any more than a member of parliament should be provided for, after he is out. He is taken in here and he is taken in over other people who were longer in the Service.

The CHAIRMAN: Is there anything else, gentlemen?

The WITNESS: There is one other thing I omitted to say a while ago,—coupled with appeals and councils is the question of permanency of position. We would like to stress the need for some assurance to the person who enters the Service as a career that he might safely regard his tenure of office as permanent, subject to good behaviour.

Q. Have you not got that at the present time, to the fullest extent human ingenuity can give it to you?—A. I do not think so.

Q. What do you suggest? That we pass legislation on that, that once a man is a civil servant he can never be dispossessed during good behaviour?—A. I can remember a time when they were always permanent. There was no abolition of the office.

By Mr. Ernst:

Q. Let us assume there was a duplication of service, with the result a number of positions would be abolished, you surely would not want any administration not to abolish these positions if it was in the public interest to do it?—A. My answer to that is: I think since the 1919 reorganization of the Service no situation like that has arisen, because the Service then was reclassified and reorganized by a body of men who were spoken of as experts—they were to go through, and did go through, the whole of the Service at Ottawa and put it on what was intended to be, and was said to be, a sound basis of efficiency.

By the Chairman:

Q. Surely you do not suggest because that happened—

Mr. ERNST: It did not happen. There has never been anything like a complete reorganization. At the rate they are now going it was said they are going to take 200 years to reorganize it.

Mr. BOWMAN: All we can gather is that there have been reclassifications and not very much reorganization.

The WITNESS: I have been given to understand at different times—I do not know whether it is very efficient—that the Service is pretty well organized; in a complete reorganization of the Service you might take care of permanency and we do not know that there is very much wrong with it. Now, perhaps in the course of time it has appeared that that view is wrong. I do not know, but I do say after some years, that the situation could be met by making so many people permanent, taking care of the other situation by temporaries.

By Mr. Bowman:

Q. In other words, your suggestion would invoke another chapter 38 of 1929?—A. No. I do not say that.

Q. In the one case your chapter 38 of 1929 applied to private secretaries and you want it applied to the rest of the Service. You say leave the private secretaries out and let us provide for ourselves— —A. No.

Q. —once we are in the Service, so long as our conduct is good, we are here forever?—A. Quite. The present Civil Service—

Mr. ERNST: Do you think any private enterprise would adopt any such scheme?

The CHAIRMAN: They would not dream of it.

The WITNESS: All things are not parallel between private enterprises and the Service. I had eight years in private enterprise, with the well-known and efficient Canadian Pacific Railway. I have been in the Service for twenty-four years—I have had some opportunity of comparing them, and I do know that in a private enterprise, such as the Canadian Pacific, they have what they consider a skeleton permanent staff, and that is the kind of thing that I refer to now.

Mr. ERNST: They would not submit to a statutory provision; they would not have that staff as a permanency.

Mr. BOWMAN: Talking about railroads. At the present time there are thousands of railway men in the country who have fifteen and twenty years rights and they cannot hold down a job for three months in the year.

The WITNESS: You are speaking of the operating men?

Mr. BOWMAN: Yes.

Mr. ERNST: Not only the operating men, but others too.

The WITNESS: Everyone will admit that these times are abnormal.

Mr. ERNST: It seems to me that the proposition is that the people of Canada should get the best service they can at the lowest cost, whether it is in the Civil Service or in something else.

The WITNESS: Do you not think that the government should set an example to other employers?

Mr. ERNST: I do not think Government should sponsor ineffciency for five minutes. I do not think the people of Canada would want it to do so.

Mr. BOWMAN: Nor would Mr. Lawson, the witness, sponsor inefficiency.

The WITNESS: Not at all.

Mr. ERNST: Our proposition is that if there is inefficiency and duplication any such step as you propose would prevent any government dealing with it.

The WITNESS: I think a little foresight would have stopped that duplication.

The CHAIRMAN: That is true; but our hindsight is always so much better than our foresight.

The WITNESS: Unquestionably.

Mr. ERNST: I am in sympathy with you from the standpoint of the men in the Service. On the other hand, I think the people of Canada, who pay the bill, are entitled to every consideration.

By the Chairman:

Q. Is it not a fact that, under normal conditions, you have, to adopt your own words, a skeleton or permanent organization in the Civil Service. You know that once you receive your permanent appointment, providing your behaviour is good, no ordinary circumstance can disturb that. I am not speaking of an extraordinary thing such as the transfer "holus-bolus" of the natural resources to the western Provinces or something of that kind?—A. Even in that case, I maintain a great many, if not all, of those civil servants could have been taken care of with a little foresight.

Q. I suppose you mean by that if for a few years before the transfer actually took place the Civil Service Commission or somebody in authority had declared a moratorium on appointments there would not have been that situation?—A. Surely. They should have anticipated it. That is exactly what I would say.

By Mr. Bowman:

Q. It is not a question of legislation; it is a question of administration?—A. I think so.

Mr. BOWMAN: After all, Mr. Lawson, you are doing your duty in making that suggestion in view of present conditions.

By Mr. Chevrier:

Q. I felt very keenly about that for some time. Probably, you can help me out. I am speaking now of permanency in the Service as compared with permanency outside. Now, you mentioned, the Canadian Pacific Railway.

Now, in the Canadian Pacific Railway, in those large commercial enterprises, is there anything to compare in the light of permanency such as a permanent position within the terms of the Civil Service Act? I understand that under the Civil Service law there is a permanent position, but that, to my mind, is purely a name—a misnomer—because, in the event of some extraordinary proceeding, that permanent position may be abolished. And it is not only abolished in the case of an extraordinary circumstance, but it may be abolished at any time. So that the element of security of a permanent position in the Civil Service is not so great after all. That is the way I look at it and that has been my experience?—A. Of course, we have a more or less permanent quarrel with that abolition of office clause. I do not know that we have anything concrete to offer in place of it. In connection with the first part of my remarks about railway companies, I have had some familiarity with their organization, and there are a large number of permanent positions. For example, the general passenger agent, the general freight agent, the auditor of passenger receipts and so on. You are all familiar with those offices. We all are. Those positions I would refer to as permanent positions, and there are other permanent positions tied up with those—essential positions that must be filled for all time as long as the railways operate as they do—or until the air takes their place, or something of that kind. Those are permanent positions, and it is positions such as that to which I refer. I think that similar positions in the Civil Service should be regarded as permanent, and the occupants of them entitled to permanency of office.

By Mr. Bowman:

Q. That is what obtains at the present time, is it not? It would take a lot to persuade me that there was not equally as great a degree of permanency in the government service as there is in the railway service to-day? —A. Well, Mr. Bowman, we have known of cases where a high official in a government department has taken a dislike to an individual.

Q. Quite true; and the same with the C.P.R. I suppose?—A. What he has done is to abolish the position.

Mr. CHEVRIER: That is what I wanted to get at.

Mr. BOWMAN: Is it not the same thing in this connection with railway companies? If they do not abolish the position they would abolish the man.

Mr. CHEVRIER: That is better; you do it fairly and squarely, but you do not say a position is permanent.

The CHAIRMAN: The result is the same.

Mr. BOWMAN: The result is the same as far as the men are concerned.

Mr. CHEVRIER: We have a law, a Civil Service Act in which one section calls a position permanent and in another section says it may be abolished. I know how it works. I cannot give evidence, but I am glad you pointed it out, because in my years of experience I have seen that time and again. The way to get rid of an incumbent is to abolish his job.

The WITNESS: If he is inefficient he ought to be fired.

Mr. CHEVRIER: Fire him.

The WITNESS: Fire him by all means. Our Association, the Federation and every civil servants' organization that I know of is for efficiency. That may be contrary to the popular idea.

By the Chairman:

Q. Now, you are branching from dismissal without cause into dismissal with cause. Of course, we all endorse that principle. But the difficulty seems to be that there may be cases in which for no cause—and that is your suggestion

—a man's services may be dispensed with by abolition of the position?—A. Then, if we had an appeal board, or something of that sort which we have advocated in previous submissions to you, the thing could be threshed out.

By Mr. Bowman:

Q. That is a different proposition?—A. I know. I would like to interject that remark there. You see where an appeal board would work.

By the Chairman:

Q. We have had a real impression made upon us *re* appeal boards. But what you are suggesting now is a status, absolute in terms, that once a man is a civil servant, for all time and irrespective of any conditions, his salary, his payment or his remuneration is a charge upon the tax payers of this country?—A. During good behaviour and continued efficiency.

Q. During good behaviour and continued efficiency.

Mr. Ernst: You would find it hard to get public favour for that.

By Mr. Chevrier:

Q. Supposing that something happens in a department where the work ceases, for some reason or other, why not put that man on an eligible list, why not appoint him to some other position instead of putting somebody else into the position?—A. That is what has been done for the private secretaries.

By Mr. Bowman:

Q. That is what is being done with a lot of other people that are being let out of the service, is not that so? They are being transferred to other positions and have been given the first opportunity?—A. Yes. Quite. I am speaking personally in favour of greater flexibility of transfer. Miss Inglis brought up that point.

By the Chairman:

Q. You see with regard to the concrete case you gave us of a deputy minister taking a dislike to a man and abolishing his position, it is the old question of "man's inhumanity to man makes countless thousands mourn." You cannot cure it by legislation, as I see it?—A. I just want to make this remark. I may not be able to convince you that our idea is the right one. We think this, partly because we have been taught so by administration after administration since my organization came into being. The Laurier government—we went to the members of that government on certain matters. We were told that our positions were permanent. While they were not able to give us what we asked for, we were told our position were secure and we ought to be content. We went to the Borden government—the Union government—the Meighen government, the King government, we went to all those governments, at different times, and we were told that our positions were permanent and why worry about the thing that we brought before them. The Service has been taught that from its youth up.

Q. I still regard it as such.

Mr. Bowman: I think every member of this Committee is of the opinion that the Service should be permanent in as far as possible, but there do arise occasions when, perhaps, exceptions to that should be possible.

Mr. Chevrier: But we should not place so much stress upon permanency; we should not place the stress that is now being placed upon the word permanent. The civil servants are told, "you have permanency, you have security, you have this and that; now, why should you ask for something more?" They have not got that security or permanency which we want to make ourselves believe they have.

[Mr. Vernon Lawson.]

By the Chairman:

Q. Mr. Lawson, after eight years in a private enterprise, what position did you accept when you first entered the Civil Service?—A. What position did I accept?

Q. Yes?—A. The grade and so forth?

Q. Yes?—A. It was known as sub-division B of the second division.

Q. And what is it equivalent to in classification now?—A. About a grade 3 Clerkship. It had a salary range of eight to sixteen hundred.

Q. And what were the attractions that made you leave private enterprise to come into a Civil Service position? Now, that is a personal question, so I do not want you to answer, if you do not wish to. May I say frankly that what I am after is this: I asked the same question of Mr. Phelan. To me it is a mystery. What is the attraction of Civil Service that makes thousands want to get into it?—A. (Witness does not answer, with permission of Chairman.)

Q. Now, that was a personal question. Perhaps I might phrase it differently and get an answer down. What do you suggest to me is the reason that makes the Civil Service attractive to so many people who seek positions in it?—A. I think up to recent years the idea has been that it was permanent, that it was a large public service, and many people, I believe, are actuated by the idea that they would like to get into something that is big and offers an opportunity for a career. There is a feeling throughout the country that the government is a good institution to work for; that it is not so liable to fail; and that the Civil Service offers an opportunity for one to develop himself and to arrive somewhere, that many private enterprises do not offer.

Q. And all this under the Act as it now is?—A. No. I say up to a few years ago. I am not so sure that that is the right answer for the later incumbents.

Q. But, Mr. Lawson, I understand from the representatives of the Civil Service Commission that, with the exception of Windsor in all Canada, they always have more applicants, qualified applicants for positions than they can possibly provide positions for. That was right in the boom times of 1929. Now, I am leaving aside some technical position that might require some high qualification?—A. I suppose that not one candidate in one thousand has ever seen the Civil Service Act or the Civil Service regulations, or, if he has, has been able to digest them to his own satisfaction to know what the ultimate effect would be upon him of the different provisions of the Act and Regulations.

Q. No; but he knows the minimum or maximum salary of the position he is seeking; he knows the holidays he is sure to get with pay; he knows of the sick leave with pay that he is bound to get if he is ill?—A. Some do.

Q. And all those other factors which are not assured to him in private commercial enterprises.

Mr. MacInnis: I do not know if there are more applications for Civil Service jobs than there are for other jobs?

The Witness: Just what I wanted to say.

Mr. MacInnis: I do not know. I had experience with a school board at one time, and where there were school teaching positions vacant we had over three hundred applications. You get those applications in whatever line you take. I would like to say that I agree with Mr. Lawson in his reference to the private secretaries, but I do not agree with him when he mentions that their positions should not be permanent. Of course, I believe the trouble arose over giving permanency its definition. I suppose, according to the dictionary, as a matter of fact, there is nothing permanent, and I suppose civil servants will have to take their chances with the rest of us.

The WITNESS: If we are wrong in asking that positions be absolutely permanent, then, surely, those administrations which told us of the security of our positions were just as wrong as we.

Mr. MACINNIS: But it has been brought to our attention that politicians have made promises which they could not fulfil.

The WITNESS: I have heard that somewhere.

The CHAIRMAN: Some of them even go to the extent of making promises that are beyond the possibility of fulfillment; still they make them.

Mr. CHEVRIER: Is that confined to the Civil Service?

The WITNESS: All we would like is that they make a promise that can be fulfilled.

The CHAIRMAN: Mr. Lawson's evidence, and our discussion of it, has certainly been productive of giving us many matters to think about. We thank you very much.

Mr. ERNST: I would like to apologize for not being here during a portion of Mr. Lawson's evidence and that given by Miss Inglis, but I will read both with care.

The CHAIRMAN: Now, we have next Mr. Burns, president of the Dominion Customs and Excise Officers' Association.

THOMAS H. BURNS, called and sworn.

The CHAIRMAN: Go ahead, Mr. Burns.

The WITNESS: I represent, sir, the Dominion Customs and Excise Officers' Association—a departmental organization of the department of National Revenue, of the Outside staff only, the field staff. That is to say, our members are composed of the port staffs and others—customs and excise ports. Of course, we include the port of Ottawa, and all the ports throughout the country, with one or two exceptions. This is your first experience in connection with the Outside service, the administration of which differs materially from that of which you have already heard. If I may be permitted to explain, the ports represent a number of units throughout the country and are graded and classified and establishments are made up for each port according to the grade it happens to be in.

The CHAIRMAN: Do all the members of your association come under the jurisdiction of the Civil Service Commission?

The WITNESS: Exactly. Until that took place, by the adoption and expansion of the Civil Service Act, we were under what was known as that "pernicious patronage system"; most of our officers were appointed by political influence and patronage. I myself was one at the time when I was appointed, in 1907.

By Mr. Chevrier:

Q. Are those appointed under the "pernicious patronage system" still there? —A. There are some survivors.

Mr. MACINNIS: There were some good appointments.

Mr. BOWMAN: We have seen one or two to-day that are pretty fair examples of any appointment.

The WITNESS: Yes. In spite of the system, some very good men were appointed, and carried on.

The CHAIRMAN: I only wish I could file before Parliament, as exhibits, some of the representatives of the patronage system whom we have already heard.

The WITNESS: Thank you, on behalf of the previous exhibits. I wish to state that our organization is affiliated with the Civil Service Federation and fully endorses, in every respect, the statements made by Mr. Phelan who, in turn, is simply presenting the mandates of his constituents—the result of conventions and meetings that have been held from time to time. We, however, as an independent organization, as a departmental organization, handle our own affairs with the department and the Civil Service Commission, I am glad to say, in a very happy manner. The first thing, of course, which we emphatically endorse is the merit system. We believe in it. It has been our salvation. It has removed nearly all the difficulties we laboured under until its adoption, and the administration of the Civil Service, under the merit system, by the Civil Service Commission, we also desire to state here, has been very satisfactory. Our methods, of course, are slightly different from what have been explained to you in connection with reclassifications, regradings or promotions. By the very nature of our departmental organization we have practically no individual classification. In the first place ports are graded according to certain factors. That is to say, the number of the staff. I might put revenue first, the number of the staff, the number of entries, the manifests received and forwarded, the fact of whether the port is a seaport or a frontier port, whether this port has certain special duties to perform which entitles it to be placed in a certain grade, which carries different salaries than the lower grades for certain offices, such as the collectors, surveyors and technical executive offices of the ports. Now, the grades of ports are at the present time eight in number. I will not go into ports, beyond mentioning one or two of the larger ones. Grade eight includes the ports of Montreal and Toronto, where the collectors and chief officers are paid the same salary. The rank and file receive the same rate throughout the country. Therefore, when you undertake to classify one position in the country, it reacts by relativity on one in Halifax or Vancouver. So we have not the difficulties as mentioned to-day regarding classifications, because when we begin to talk about reclassification it is reclassifying a group and not an individual, therefore it becomes a large question.

The CHAIRMAN: And it involves a matter of departmental policy?

WITNESS: Yes. The first grade is Montreal and Toronto, followed by number 7 grade which includes Vancouver and Winnipeg. The next is number 6, which is Hamilton, number 5 takes in a lot of ports, like Ottawa, Windsor, Niagara Falls, Quebec, St. John, Halifax, and so on. I will not go into these details because it is simply a matter of illustration. Now, the methods of the organization in obtaining results are different from those already mentioned. Initiative comes from the men themselves. I might state that the object of the organization is to promote the welfare of its officers and to increase the efficiency of the service, and with regard to the latter we are very frank and very serious, and we have the sympathy and support of the department in that respect. Now, as an example, some years ago we found that the mounting revenues and increased responsibilities—I might point out that at that time the Inland Revenue department was absorbed into the Customs department—and no provision was made for increased remuneration for the men who were given a great deal of extra work and responsibility. So we went to the department first. We laid our case before the department. Our relations are friendly enough that we could go to the Deputy Minister and sit down, man to man, and talk with him about our problems,—our Deputy Ministers have been big enough to meet us half way,—and as the result of our conferences a scheme was drawn up. Then we would go to the Civil Service Commission, with the approval of the department, and fight the matter out with them, or discuss it, I should say. We sometimes use the word "fight," but we mean discuss the matter with them. Sometimes we were successful, other times not so successful, but on the whole the

[Mr. T. H. Burns.]

result has been satisfactory. When the department was reclassified by the Arthur Young Company and the Griffenhagen concern we made three appeals, if I remember rightly, to a board that was set up known as the Board of Hearing and Recommendation—set up within the Commission—in which a member of the staff side sat in with this Board and listened to evidence on the claims made. I happened to be the staff representative and sat with the Board for nearly three months, and our organization emerged from this particular Board—that is why, perhaps, previous speakers have been so anxious to have some tribunal set up. We endeavoured on the whole to get a classification which is practically intact with a few alterations at the present time. Now, it is on those classifications with a few exceptions that we are working to-day. The regrading of the ports, however, did not proceed at the time when they were being granted. We began in 1924 our agitation and two years later an adjustment was made in the regrading of the ports of Toronto, Montreal, Winnipeg, Vancouver, Hamilton; but it stopped there. In connection, however, with the next grade, grade 5, such as the ports I have mentioned, Ottawa, Windsor, St. John, Halifax, Quebec, etc., no attention was paid to the collectors, but their superior officers were increased in salaries, and to this day we have never learned why this was done. This is a burning question. Of course, perhaps, this is not the time to discuss the question of remuneration, but I want to explain the *modus operandi*. Incidentally, I might mention I got a return to-day which would show that in 1910 the collectors at Halifax, St. John, Quebec, received $3,500 salaries. In 1932 the salaries were $3,750.

By Mr. Ernst:

Q. How many more have they on the staff?—A. The staff is so much larger and returns are so much greater that the amalgamation of the two departments of Excise and Customs makes the situation ridiculous. And more so when I say that this by 10 per cent reduction which goes into effect to-morrow, the remuneration of the collectors of these ports mentioned will be $125 each per annum less than in 1910.

Q. It may have been too much in 1910.

The CHAIRMAN: Having regard to the value of money in 1910, it seems to me that, as a group, these gentlemen were handsomely paid at $3,500 a year.

By Mr. Ernst:

Q. You would not contend that the Customs officer, for instance, in Halifax, has to-day as much personal work as he had in 1910? He has an efficient staff around him to assist him in his work?—A. For your information, as regards the revenue, this will give you an idea. At Halifax, in 1910, the revenue was $1,772.883. At the present time, according to the Auditor General's report, it is $3,307,802.73, and the staff is about 50 per cent, greater. This is really by the way, because we cannot discuss remuneration just now, you know, but it is one of the problems we have to contend with. Now, each port has an establishment which is arrived at by an understanding between the department and the Civil Service Commission, and we have not very much fear of over-staffing or the elimination of many of the members of our staff, because our Department is always administered most economically and, if I might add, intelligently.

Q. You have in Canada about three times as many ports of entry as they have in the United States?—A. Yes. The public there are not as well served. You might have to go in the United States about 200 miles from the place of shipment to get your goods. Here, perhaps, it is too much the other way.

Q. I am merely pointing that out as a fact. You have three times as many ports of entry in Canada as there are in the United States to handle its vast customs?—A. I understand—I have no business to say anything on behalf of the department—I understand there has been a drop of nearly 150.

Q. Yes, in small ports of entry within the last two years?—A. The establishment of the port is created and no excessive help is accounted for, and if it happens that the business increases and more help is required then temporaries are taken on; but I was informed by a departmental official recently that the laying-off problem in our department through shrinkage of revenue and lost duty was not serious because no vacancies have been filled for some time. As an example, in the port of Montreal there are now over 40 vacancies which have not been filled, so you can see that relatively that problem can be taken care of.

By Mr. Bowman:

Q. What suggestions have you to make to the Committee?—A. Well, I have one here. One question was raised by two of the speakers here regarding transfers from one department to another. To use the language of a certain member of our association not long ago, the Department, made up of once different departments, is in practically water-tight sections and transfers from one department to another, excepting in inferior positions, would not be practicable. For instance, what use would a Customs officer with many years experience be in the Post Office, or vice versa? The work of a stenographer or junior clerk is the same everywhere possibly, but as far as the transfer from one department to another to the senior position, it is not at all practicable.

Q. That is so far as the department you are representing is concerned?—A. Yes.

Q. The departmental officials you represent?—A. Yes.

The WITNESS: You were speaking to-day about private secretaries. There is an amendment, also, to the department of National Revenue Act, assented to on June 11, 1928, whereby certain positions are exempted from the Civil Service Act—Customs appraisers and assistant appraisers, all officers of Customs and Excise Preventive service and all officers assigned to duty as investigators of values and claims for drawbacks. Shortly before the passing of this amendment to the Act, an investigation into the Customs and Excise department was held, as you all know—it caused quite a furore at the time—and the recommendation of the Committee was that certain changes should be made in the Appraisals branch, and the Minister at that time, the Honourable Mr. Euler, conceived that this amendment was in accordance with the recommendation of this Committee. Now, when this legislation was drafted and brought down first, it not only eliminated those I have mentioned from the Civil Service Act, at the pleasure of the Minister, but it also included the officers of the staffs—they were all subject to appointment by the Minister. In other words, we were going back where we were before. Naturally, representations were made to Mr. Euler at the time and a compromise was made whereby this particular amendment was put into effect. Now, there is a good deal to be said for and against this change. From the staff side, of course, we used the same arguments made by Mr. Lawson this afternoon regarding Ministers' secretaries, that when a man is working up to a certain position and devoting all his time to give efficient service and studying his regulations, tariff and values, and so on, then to find an outsider brought in over his head, well it causes dissatisfaction.

By Mr. Ernst:

Q. You are speaking of the appraisers?—A. I am speaking now of the appraisers alone. While the department has made several appointments direct by the Minister, for some time the department has made twenty-two appointments in the regular way, that is, through the Civil Service Commission, during the calendar year.

Q. To what positions?—A. Appraisers and assistant appraisers. Mr. Euler said at that time that if qualified men could be found in the service he would have no reason to go outside. At that time evidence was submitted to him that qualified men were in the service as instanced by outside advertised positions for appraisers for which examinations were held by gentlemen supplied by the Civil Service Commission—outstanding men in that particular line—and in four or five cases in question the successful applicants were members of the Customs and Excise staff.

Q. I do not know that the history of the matter helps us. You want the appraisers brought back under the Civil Service Act?—A. Yes. I think that the interests of the department and the public would be served by the withdrawal of this amendment.

By the Chairman:

Q. Are the appraisers who are now in the service of the government members of your Association?—A. Yes.

Q. Substantially all of them?—A. You see, I am not acquainted with the individual members. We have many of them, indeed most of them.

Q. And may I take it that you are expressing the views of the appraisers themselves and the Assistant appraisers?—A. Yes.

Q. That they want to be taken under the Civil Service Commission?—A. As a matter of fact, there are only a few who are not at the present time. I do not think more than fifteen or twenty taken in altogether, and several—

Q. Let us not get at cross-purposes. Appraisers are now appointed by the Minister?—A. No, not necessarily, but the Minister has the right to appoint them if he likes, but the Minister is not exercising that right as much as in the beginning.

Q. If the Minister does not exercise the right to appoint appraisers, what happens?—A. The position becomes vacant and the department asks the Civil Service Commision to fill it. There is one point about appraisers I want to mention.

Q. That disturbs my whole idea. Will you tell me, Mr. Bland, do Civil Service appraisers come under the Minister or under the Civil Service for appointment?

Mr. BLAND: I think the fact is this, that the National Revenue Act permits the Minister to make all appointments of appraisers, if he so desires, by appointments from outside the service. If he does not so desire he may apply to the Commission to have them filled by the Commission. That is his option.

Mr. ERNST: The reason given at the time was to improve the quality of appraisers.

The WITNESS: In the test made subsequently, in open competition, outsiders were allowed to compete. The successful candidates were all Customs officers.

Mr. PHELAN: Mr. Chairman, there was a point under discussion when I was giving evidence this morning. Mr. Bowman was questioning me as to the price effect where a series of promotions took place—the price saving to the government. I have prepared a very brief statement in seven copies which I would like to present to the Committee.

The CHAIRMAN: Thank you very much, Mr. Phelan. Will you let me have it, for our files.

The Committee adjourned to meet Friday morning at 11 o'clock, a.m.

The Select Special Committee to inquire into appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 11 a.m., Mr. Lawson presiding.

The Chairman: All right, Mr. Burns.

Thomas H. Burns, recalled.

The Chairman: Just proceed, Mr. Burns, from where you left off last night.

The Witness: I believe we were discussing the amendment of the department of National Revenue Act and its effect on the service.

The Chairman: Excuse me, we have no authority to deal with any Acts other than the Civil Service Act.

The Witness: We desire, if those positions were removed from the Civil Service Act, to have them replaced.

By the Chairman:

Q. You told us you wanted all appraisers appointed by the Civil Service Commission?—A. Also of course, the other officers such as investigators of values and investigators of claims for drawbacks. Now, as I said yesterday, the reason for this amendment was due to the findings of the Parliamentary Committee in the Customs Investigation some years ago,—when legislation was brought down the whole Customs Service was to be eliminated from the Civil Service Act. But representations were made to Mr. Euler and he withdrew that portion of it, but this particular clause remained. Now, there may have been reasons at the time for this change. We believe however, that when an investigation of a particular port is being made regarding the vacancies mentioned in this particular amendment, that if in the judgment of the department, the material is not available for promotion, they might go further and still keep within the precincts, as it were, of the department. That is, go to an adjoining port, or other ports, and give an opportunity to the men who have qualified themselves for promotion, if not in that particular port, in another one where a vacancy happens to be in that particular line.

By Mr. Ernst:

Q. They do that in the Customs and Excise now?—A. Not according to my understanding of it.

Q. I had a particular case in mind, in Nova Scotia, where there was a promotion, and the assistant applied for the promotion and got it?—A. That would be in the district.

Q. In the particular Province?—A. Well, the Province. It would happen in a district, yes. But we do not deny the right of the department to seek expert advice outside, if the exigencies of the case require it, because in the

very difficult and intricate problems in connection with collection and the prevention and the protection of the revenue, we feel it to be logical that the department's hand must not be tied in seeking men to carry out its business intelligently, but we do maintain that at least every officer should be given the first opportunity to qualify for any vacancy that might occur.

Now, there is one amendment already referred to that meets with our hearty approval; in fact, from Dr. Roche down, practically each witness desires to mention the example set up by one department in the matter of gratuity in lieu of retirement. Ours is the department referred to. It was not mentioned by name, but it is our department that they referred to, and this amendment contains this clause, allowing gratuity in lieu of leave of absence. This is a good thing, because if a man is allowed or entitled to a certain leave of absence—

By the Chairman:

Q. You are speaking of something now you already have?—A. Yes. I am merely taking this opportunity to say we approve of it entirely.

Q. Excuse me. We have no intention of making any changes that are not asked for. Nobody has asked for that to be changed?—A. Mr. Chairman, it is an explanation. Previous witnesses have mentioned this particular instance, but did not give you any information as to whence it emanated. I am merely giving you the information now, if you desire to have it.

Q. Frankly, we are pretty familiar with that explanation. I will say to you I am confident no member of the Committee has any desire to change it.—A. That is all I have to say about that particular subject. Now in connection with promotions. Several witnesses have already touched upon the advisability of salary increases beginning with promotions to higher rank. I think it is logical. That is a rule followed by corporations and commercial establishments. Where a man is promoted to a higher position, and has greater responsibility, he is naturally more valuable to his employer and it naturally follows his stipend or salary should be increased accordingly. Now, take for instance—

By Mr. Bowman:

Q. Pardon me, Mr. Burns. Have you anything new to suggest?—A. In that particular instance?

Q. No, that has not already been recommended. Have you something new?—A. Not in that particular instance, no, sir. If you are satisfied on that point, I will go ahead.

Q. Yes, pass on.—A. With regard to further promotions, I might state that the impression might have been given to you that where a vacancy occurs, promotions are made on the recommendation of the Deputy Minister. Well if that is the case in other departments, it is not so in ours. That is, as far as our outside service is concerned. If you desire, I shall give you a brief account how the promotions are made.

Q. We are not interested.

By the Chairman:

Q. On whose recommendation?—A. On the recommendation of the immediate chief of the department. Now, it might help you—

By Mr. Ernst:

Q. Through the Deputy Minister?—A. It comes through the Deputy Minister, yes. But the ratings are made by the inspector, and it is not the individual, no individual recommends the man. The applications of the candidates are there, I mean—

The CHAIRMAN: We thoroughly understand that.

By Mr. Chevrier:

Q. With the approval of the Deputy Minister.—A. Yes, everything in the Department, of course, has to be subject to approval.

The CHAIRMAN: We understand that situation now.

The WITNESS: Now then, one word with regard to port regrading. The ratings on ports have been proceeded with up to a certain point, and there it stays. Now there is a considerable complaint from the men in the small ports, in the out-ports. No doubt as members of Parliament you have heard complaints from these men, due to the fact that for years they have been overlooked, and they claim that although their fees are small and their entries may not be large, they have the administration of the whole Customs Act, and so on, and they are required to know just as much as those in a large port, only of course, their business is on a smaller scale, and for that reason they are very anxious to have the question of their regrading given attention to.

By Mr. Ernst:

Q. They carry on other business as well while in office.—A. Up to a certain point.

Q. I can tell you of some who carry on activities other than their customs work.—A. Well, the Act does not permit it, above a certain salary. They are doing it at their own risk.

Q. I know of one person who carries on as a stipendiary magistrate for the town and municipality, and holds court in his customs office.—A. Well now, we are—

Q. I do not see any reason to protest against that procedure, providing he gives due attention to his duties as a customs officer.—A. There is a regulation of the department against that, a very strict regulation up to a certain point, with regard to salary.

Q. You are talking about salaried men?—A. Yes. Now, regrading and reclassification were mentioned, but classification was practically as it stood for three or four years. We had been instrumental in reducing the number of groups, or classes, from about 40 to half that number, about 20. Two years ago we approached the department for a still further reduction in groups or classes, to promote efficient facilities in handling staffs and so on. We have reduced the classes to actually half a dozen or less.

Now, just one word more, and I am through. I cannot close without stating that our reorganization in the department and the Civil Service Commission —by the way, I forgot to mention I am the representative of the department to the service, and have access to the Civil Service Commission staff, and we discuss a number of these matters to our mutual benefit and satisfaction, and in closing I would state that our relationship between the department and the Commission and the Government has been so satisfactory, that the usual problems of the service in general are very easy ones, because of the attitude of all parties concerned. We have practically set up within ourselves a sort of council. We meet the department and the Commission on the basis of a joint conference, and we have never had any trouble whatever. Are there any questions you would like to ask?

The CHAIRMAN: Are there any questions the members would like to ask Mr. Burns.

Mr. MACINNIS: No; I think he has covered his case pretty well.

The WITNESS: There is just one little point I forgot to mention. The question of permanency in the service has been brought up. Now a few days ago many officers of one branch of our Service, preventive officers, permanent

officers with many years service, have been given a choice, with two or three days' notice, of either getting out of the service or joining the Mounted Police at a very reduced salary.

By Mr. Ernst:

Q. They come under the Civil Service Commission?—A. Yes. I have reference to one man of eighteen years' service. This particular amendment of the Act took that out of the hands of the Commission, and they were ministerial appointments. I am referring to that just merely as an indication that really the tenure of permanency we have been told so much about in the past does not exist.

By Mr. MacInnis:

Q. Of course that may be avoidable, although there might be provision made for these men again entering the service.—A. They have been given the opportunity of joining the Mounted Police under those conditions, and they can take it or leave it.

By Mr. Ernst:

Q. Many of them who are given the opportunity are being taken in under conditions which are such that they could not join otherwise.—A. The salary is from 25 to 75 per cent less.

Q. Is there a reduction in salary?—A. A very serious one.

By Mr. Bowman:

Q. That is much better than having them out of the service entirely, and not having any job at all?—A. Yes sir, but at the same time it is rather distressing to the employee, and to the people outside, who have always looked on the jobs as permanent.

By the Chairman:

Q. It does not so appear to me. I think that most of the civil servants are pretty well protected as to permanency.—A. That is what brought me into the service—the permanency of it—the protection of permanency in the position.

GERALD DENNEHY, called and sworn.

By the Chairman:

Q. You are president of the Dominion Railway Mail Clerks' Federation?—A. Yes.

Q. You wanted to make some statements on behalf of the railway mail clerks, I assume?—A. When our written statement was made, Mr. Chairman I did not know that the inquiry would be quite so exhaustive. Our Federation concurred in certain proposals.

Q. May I interrupt you to ask a question as to how many men your organization represents?—A. Approximately 1,300 men.

By Mr. Ernst:

Q. The men who sort mail on the trains?—A. Men who sort mail *en route* in the mail cars on the train.

By Mr. MacInnis:

Q. Are they all in your organization?—A. Well we have, I believe, 1,122 exactly to date.

By Mr. Ernst:

Q. Out of 1,300 men?—A. Yes; some of the others are suspended for non-payment of dues, but practically all are in the organization.

By Mr. Ernst:

Q. Go ahead.—A. Our organization knows that the Civil Service Commission has very wide powers, but it is not aware that these powers have been abused. We believe that the Commission has operated to secure a greater degree of equality and justice in staff matters relating to our service.

By the Chairman:

Q. You are favourable then, to the railway mail clerks being left under the administration of the Civil Service Commission?—A. Yes.

By Mr. Ernst:

Q. And to the merit system, what we call the merit system, of appointment and promotion.—A. Yes, sir.

By Mr. Chevrier:

Q. That is the present situation?—A. Yes.

The CHAIRMAN: He endorses Mr. Phelan.

The WITNESS: We endorse Mr. Phelan. Of course, we admit there are grievances and a certain amount of dissatisfaction in the service created by inequalities of classification as well as by the non-existence of some type of Committee, or council, on which the civil servant could be represented, so that the viewpoint of the staff side as to the causes of any grievance could be supported by the accredited organization. We believe in what has already been proposed here. In other words, some form of an appeal board.

By Mr. MacInnis:

Q. Did you hear the statement made by Mr. Phelan yesterday?—A. I do not know whether I was in the room or not.

Mr. BOWMAN: Mr. Phelan was not here yesterday, it was the day before.

The CHAIRMAN: He was here a short time.

Mr. ERNST: It was part of the question raised yesterday.

By Mr. Vallance:

Q. Have you read anything that has been presented before the Committee? —A. Yes, I have read some of it.

Q. Considering what you have read, relating to what we are now talking about, you are in favour with the suggestion?—A. Yes.

By the Chairman:

Q. Mr. Phelan suggested an appeal board with the chairman of the Civil Service Commission as the chairman of the board.—A. Yes.

Q. And a representative, chosen either by the Civil Service Federation or by some arrangement among the civil servants' organizations, as the second member of the board, and a third member to be a representative nominated by the Treasury Board, in the case of matters affecting more than one department, and by the department, where only one department was affected. Are you in favour of an appeal board so constituted?—A. Yes. We understand that the principle of classification is to appraise the position in accordance with the duties connected with it, rather than the individual filling the position. It must be understood that the duties of several positions in the service are

constantly changing. As an illustration, since the completion of classification by the Arthur Young Company, considerable extra duties have been added to our branch of the Service. Since the inauguration of the air mail service, railway mail clerks have had to memorize air mail schedules and be efficient in air mail despatch, and this involves considerable additional work and study. They are now obliged to make a primary sortation of city letters in their regional areas, which means the preparation and memorizing of additional distribution lists. Hence it may be shown that there should be no finality to classification and that a need exists for some permanent appeal board.

By Mr. MacInnis:

Q. Is not that the assumption, that there is no finality in classification, that a reclassification can be made at any time, when circumstances warrant?

The CHAIRMAN: You see, Mr. Dennehy, you come before this Committee and you say, "Now we are absolutely satisfied with the administration of the Civil Service Act by the Civil Service Commission," and yet classification is entirely in their hands. If you are satisfied with what they have done, I think your submissions should go to them, and not to us.

The WITNESS: Well, we would like an appeal board to which we could take—

By Mr. Ernst:

Q. Grievances?—A. Yes. There is just one other thing here. There are two subjects, one called efficiency and the other called fitness. They are standard tests.

Q. They are what?—A. Standard tests.

Q. Yes?—A. Set up at all special promotional examinations by the Commission. We believe that they should be treated more in detail. For instance, efficiency may mean knowledge of rules and regulations, quality and quantity of work, alertness and resourcefulness, capability and executive ability; and fitness may well mean orderliness and amenableness to orders, willingness, health and physical condition, personal address, impartiality, conduct and educational qualifications. We suggest that it would be more suitable to allocate marks to these components and, in this way, arrive at a fairer total for the candidate's efficiency and fitness than by the present system.

Q. Rather than by rating it on a mass basis?—A. Yes. That is a suggestion from our organization.

Mr. ERNST: Maybe Mr. Bland will take note of that.

Mr. BLAND: May I just say Mr. Dennehy's suggestions are the basis of the present rating system; in other words, it is not based on mass totals, but on those particular ideas.

By the Chairman:

Q. You do not segregate your marks, do you?

Mr. BLAND: Yes. On the present form 5 of the Commission, you will find the segregations.

Mr. ERNST: That will probably ease your mind on that.

The WITNESS: We have a further suggestion. We believe that government employees when, and if, enlisted by the Commission to make recommendations and ratings, should be sworn to the faithful performance of their duty. This has already ben recommended by the Malcolm Report.

By the Chairman:

Q. It is supposed to be done now.

Mr. ERNST: I might say I asked one of the Commissioners, or Mr. Bland, I do not know which, just how thoroughly the oath was administered. I have seen oaths administered. They can be administered—and administered. We hear a lot to-day of oaths with reservations.

The WITNESS: I just want to say Mr. Chairman, that it is the experience of our organization that the executive officers of the Post Office department have great administrative capacity and foresight and a study of the Post Office institution will show that they have created and continued to develop a wonderfully efficient institution.

By the Chairman:

Q. In the Post Office department?—A. Yes, in every branch of it.

By Mr. Ernst:

Q. Due, in no small measure, to the very able staff at the head of it. I am not talking of the minister. I am talking of the executive staff?—A. Yes.

Q. In other words, you find your superior officers efficient?—A. Yes, very. In our branch of the department, railway mail clerks are 98 per cent. efficient. The records show that, and their initiative, alertness, and resourcefulness are of a high order.

By the Chairman:

Q. I should think that would be necessary, because we do get good mail service in this country; there is no question about that?—A. To our knowledge, there is complete co-ordination and co-operation between the various branches of our department. Therefore, our organization cannot concur with the suggestion that the duties of the district superintendents of postal districts should be absorbed by city postmasters.

By Mr. Ernst:

Q. In other words, you think it would make for a breakdown in efficiency? —A. Yes, I believe so.

Q. That each has his separate functions?—A. Yes.

Q. The mail clerk, the rural mail carrier, the city mail carrier, and the city post offices and the rural post offices have their functions, and the city postmaster is not the one to co-ordinate?—A. They have their functions and special problems. We believe the duties of postmasters are restricted to purely local postal matters and are altogether distinct from those of the district superintendent, which are regional. The latter, that is, the district superintendents in regional areas, are responsible for keeping open all lines of postal communications, and the inspection of all post offices within their regional area; and this work necessitates a specially trained staff under expert and experienced supervision. Furthermore, it must also be borne in mind, that the interests of rural and urban centres are often divergent and that in a great public utility like the post office there is a possibility of friction from any such merger. We believe, however, that considerable economy could be effected by placing the manipulative work in terminal post offices, and the transfer agents attached thereto, under the control of the Railway Mail Service Branch. At the present time they are under the control of the postmasters.

By the Chairman:

Q. Just pause there. I have not followed all that. You suggest that an economy could be effected by doing what?—A. By placing the terminal officers, the terminal post offices, and the transfer agents—

Q. By placing the terminal post offices?—A. And the transfer agents connected therewith under the control of the Railways Mail Service branch of the department.

By Mr. Chevrier:

Q. Take the city of Ottawa, or Toronto, or any large city, and explain that to me, because I do not see it that way. Will you take the city of Toronto, for instance.—A. The city of Toronto?

Q. And show me just how it will work out.

The CHAIRMAN: Let him take Winnipeg, he is more familiar with the city of Winnipeg.—A. We have in Winnipeg a postmaster who has control of the terminal post office and the transfer agents at that post office.

By Mr. Chevrier:

Q. At Winnipeg?—A. In all centres.

By the Chairman:

Q. By transfer agents do you mean the people who transfer the mail from the mail car into the terminal station and from the terminal station into the main post office or sub post office, from which it is to be distributed by letter carriers.—A. Well, yes. Of course, their duties are not quite so—

Q. That is the general idea.—A. Generally, that is the idea. They are the men who load the mail cars, and who unload the mail cars and transfer the mail in the station from train to train. Their duties should peculiarly belong to the railway mail service branch; but at the present time they are under the control of the postmaster. They load cars, and, as you know, space in a railway mail car is a very very valuable thing. Now, the railway mail clerks and those transfer agents, I say it is their particular duty to check space, and find out what space is essential, or what space is necessary. Nevertheless, you find that these transfer agents, and I think men in those terminal offices, are under the control of postmasters who really cannot have an expert knowledge of that kind of work.

Q. Whose main job really is to see that the mail service functions efficiently in the distribution in the municipality in which he is postmaster.—A. Or the urban centre in which he is postmaster.

By Mr. Bowman:

Q. Just explain to us where you would suggest the railway mail clerk should take this service over? At what point would they take it over from the postmasters, as it exists at the present time?—A. They would take it over at their terminal. I am speaking particularly of the railway mail clerk. He does not check into a terminal. He starts in the postal area from an important centre. That postal area is allotted to the man working under the supervision in that car.

Q. Where would you suggest that this service be taken over by your organization?—A. I say that the whole terminal office and the staffs connected therewith should be under the control of the Railway Mail Service Branch.

By the Chairman:

Q. Not suggesting that the organization should take it over?—A. No.

Q. The mail service branch of the Post Office department should take over the transfer agents and terminal post offices from under the jurisdiction of local postmasters in a particular municipality.

Mr. BOWMAN: I do not yet see where the economy is going to come in. Where is the economy?

The WITNESS: The economy is in the conservation of space in the mail car. The men who would be in the railway mail service branch under the direction of the terminal office, would be in charge of that, and they would know the need for space over certain areas, and they would be able to consolidate and despatch mail, and therefore economize in space.

The CHAIRMAN: When he speaks of economy, he does not mean in dollars and cents.

Mr. ERNST: Not a visible economy.

Mr. MACINNIS: It would, no doubt, manifest itself in dollars and cents, because railways charge for space.

The WITNESS: Admittedly, and space could be conserved to a great extent.

Mr. MACINNIS: I agree with you.

By Mr. Ernst:

Q. By more efficient packing?—A. Yes.

By Mr. Chevrier:

Q. Do you know what the space rates are?—A. Well, I would rather refer that to someone else.

By Mr. Bowman:

Q. Do the rates depend upon the amount of space used?—A. Yes.

Q. Well then, your scheme will really result in economies in expenditures?—A. Most certainly.

Q. That is what you are suggesting?—A. Not altogether on that ground.

Q. That is one of the grounds?—A. That is one.

Q. After all, in times like this, Mr. Dennehy, you agree if there could be economy in expenditure, without loss of efficiency in service, that is to be looked forward to by your organization as well as other organizations?—A. Yes, certainly.

By Mr. Chevrier:

Q. Outside of the space, which is a very valuable factor to be taken into account, would it improve the service?—A. Yes, I believe it would, immensely.

Q. Will you say just how? I am very much interested in what you say. I am sorry I just do not grasp all the angles. I wish you would explain it.—A. If those terminal offices were under the control of our branch and the mail clerks would be appointed, or at least a senior railway mail clerk would be in charge and he would be peculiarly fitted to know all train schedules, which the average postal clerk does not know.

By Mr. MacInnis:

Q. Would it increase the number of employees necessary to handle the same amount of mail?—A. Not necessarily, no.

By Mr. Bowman:

Q. Your suggestion is it ought to be taken hold of by the mail service branch immediately before the mail is sorted in the terminal offices.

The CHAIRMAN: No. The mail is all sorted when the mail clerks get it.

Mr. BOWMAN: No, it is not sorted at all.

By Mr. Bowman:

Q. I do not just follow where the change starts.—A. Well, if the complete control of the terminal offices were taken over by the Railway Mail Service Branch we believe that it would effect economy and efficiency.

By Mr. Ernst:

Q. Do you mean particularly outgoing mail?—A. Outgoing or incoming, all mail.

By Mr. Chevrier:

Q. I want to follow up Mr. Bowman's question. I was hoping he would get an answer.

Mr. BOWMAN: I have not got it yet.

By Mr. Bowman:

Q. Just tell us what happens in Winnipeg, for instance—what is happening at the present time—and what changes you suggest so that we can follow it. You are very familiar with this procedure, we are not.—A. Yes. Well I will try to make this clear, if possible. We will say that a car loaded with mail comes in the mail car into Winnipeg, and certain of that mail is worked up in what we call "straights."

By Mr. Ernst:

Q. Sorted?—A. Yes.

By Mr. Bowman:

Q. In the different mail bags for the different points?—A. Yes. It is unloaded by transfer agents at the Winnipeg depot.

By Mr. Vallance:

Q. Over which you have no control to-day?—A. Over which we have no control.

Q. You wish to control them?—A. Exactly.

By Mr. Bowman:

Q. Just go ahead.—A. Now, that mail is brought down to the terminal office. It is brought from the railway mail car down to the terminal office. And the railway mail clerks, if they were in charge of the office, could arrange a reassortment of that mail which would materially cut down space.

By the Chairman:

Q. Space in the next mail car?—A. In the next mail car.

Q. Into which it goes for forwarding?—A. Exactly. They have a knowledge of schedules of mail trains and routes with which, of course, the average postal clerk is not familiar. It is not part of his job, so if the terminal officer were put under the control of the Railway Mail Service Branch, economy would be effected thereby in the conservation of space.

Mr. BOWMAN: That suggestion seems to be very reasonable.

By the Chairman:

Q. Mr. Dennehy, assume that to-day I mail two letters, one addressed to Winnipeg, and one to Saskatoon. When the letter addressed to Winnipeg gets to Winnipeg as I understand it, it is contained in a bag which contains Winnipeg mail exclusively.—A. Yes, sir, it would depend on the time you mailed it. If you mailed it very late, that is to say an hour prior to the departure of the train, it would be put in what we call a grab-bag, and the clerk would open that.

Q. When you say the clerk will open it, you mean the railway mail clerk on the train.—A. Yes.

Q. He would put it in a bag designated for Winnipeg, would he not?—A. Yes.

Q. When that letter which is addressed to Winnipeg gets to Winnipeg, it is in some bag which contains Winnipeg mail exclusively.—A. Yes.

Q. Now, when the mail car gets to Winnipeg, the transfer agent as you call him, takes charge of those bags and transports them to the terminal post office.—A. No, not in the case of the head office mail; that would be transferred directly to the head office. I am speaking of forward mail.

Q. Your transfer agent is now under the jurisdiction of the local postmaster? —A. Yes.

Q. And so far as mail designated for Winnipeg is concerned, he might just as well take charge of that as the mail clerk on behalf of the postmaster at Winnipeg as on behalf of the railway mail service.—A. Well, I want to say that mail for the head office, when it arrives at Winnipeg, is taken and transferred from the Winnipeg railway station.

Q. Direct to the post office?—A. Yes, and, of course they transport it on a contract basis.

Q. That is the one case. Now, take the case of my letter for Saskatoon. When my letter to Saskatoon gets into Winnipeg station, is it in a mail bag designated for Saskatoon exclusively?—A. Yes.

Q. And in that case the transfer agent who is under the jurisdiction of the postmaster of the city of Winnipeg takes that bag of Saskatoon mail and takes it up to the terminal post office.

Mr. BOWMAN: No.

The WITNESS: He makes direct communication with the station, probably.

By Mr. Bowman:

Q. Then he takes it to a mail car on a train on its way to Saskatoon?— A. Yes.

Q. And turns it over to another railway mail clerk in that other car?— A. Exactly.

Q. Now, for those operations, you say it would be economical and conducive to greater efficiency, to have him under the jurisdiction of?—A. Of the district superintendent.

Q. Rather than under the local postmaster.—A. Yes.

By Mr. Ernst:

Q. Go a step farther, if you will, say to a point north of Winnipeg, mail coming into Winnipeg would go to a terminal post office at Winnipeg for resorting?—A. Yes.

Q. Then you would make connections— —A. Yes.

Q. For going north on another train?—A. Yes.

Q. At another hour?—A. Yes.

Q. Now, you think if that were under the control of the local railway mail service there would be economy in space, and probably increased efficiency?— A. Exactly, that is just the point. There would be, however, a portion of the mail in the original car coming into Winnipeg, probably that would have to be transferred farther west. There would be probably a great percentage of that mail for other routes, which would have to be sorted in the terminal offices.

By Mr. Bowman:

Q. Have representations to that effect previously been made to the deputy or the Post Office department or to the officials of the department?—A. Well, must I answer that?

The CHAIRMAN: There is no harm in it.

The WITNESS: I believe so, yes.

By the Chairman:

Q. Or to the Civil Service Commission, or anybody?—A. I do not believe there has been to them.

By Mr. Bowman:

Q. It would have to go through the deputy to the Commission?—A. I do not believe it has been sent to the Commission.

By the Chairman:

Q. We can take it such representations have been made to the departmental officials and not acted upon?—A. I believe so, yes.

Mr. ERNST: I believe we have Mr. Dennehy's point.

The CHAIRMAN: Yes.

The WITNESS: Our organization, Mr. Chairman, beg leave to refer to an appendix in which we say that subsection 2 of section 49—

By the Chairman:

Q. Of the Civil Service Act?—A. Yes.

Q. What section?—A. Section 49, subsection 2. We recommend, Mr. Chairman, that the section should be revised to read as follows, "Promotions shall be made for merit by the Commission upon such examination, reports, tests, records, ratings or recommendations as the Commission may by regulation prescribe." Our organization believe, sir, that the word "or" in subsection 2 should be deleted, and the word "and" substituted in lieu thereof. It would have an effect in making promotions for merit. We had a convention last year, and this matter was brought out, and the convention executive officers tried to get this matter fixed, if they possibly could, and that is one of the reasons I am bringing it up here.

By Mr. Chevrier:

Q. You do not know whether any of these promotions have been made purely and simply on one of those aspects only? Maybe you know and maybe you do not?—A. I have no knowledge.

By Mr. Bowman:

Q. As a matter of fact, as it stands now, Mr. Dennehy, there are very few written examinations for promotions?—A. Yes.

Q. I cannot see what the idea is. It would be pretty hard to say that all these things, examinations, reports, tests, records, ratings, and recommendations should all be a part of the scheme of promotion. That has not been a practice in the past.—A. It is our contention that it should read "and recommendation."

The CHAIRMAN: Excuse me. Mr. Bland, or Mr. Putman, of the Civil Service Commission, has regulations that deal with that very subject.

Mr. BLAND: There are several regulations passed under that section.

The CHAIRMAN: Do these regulations prescribe that each of those things must be taken into consideration?

Mr. BLAND: They do prescribe the system that is being followed now.

The CHAIRMAN: Can you give me the numbers of those regulations?

Mr. BLAND: Regulation 56 to 64.

The CHAIRMAN: Inclusive?

Mr. BLAND: Inclusive.

Mr. MACINNIS: Have we got copies?

Mr. BLAND: They are on file with the Committee.

By Mr. Chevrier:

Q. Following up Mr. Bowman's question there, it strikes me very forcibly, how can you have all of these various elements combined when in certain cases there are no examinations, as in the case of promotions where there are purely and simply ratings, and no written examinations?

By Mr. Ernst:

Q. Are you dealing with matters in your own particular organization?—A. Yes, our own particular problems. My knowledge of the Civil Service is not sufficient to go into any details.

By Mr. Bowman:

Q. As a matter of fact Mr. Dennehy, I do not see, for all practical purposes, that it would make an awful lot of difference. I can see perhaps, that your organization might benefit a little, but I cannot see for all practical purposes that it would make an awful lot of difference.

The CHAIRMAN: The regulations, gentlemen, do not seem to advance the position much. Regulation 59 seems to be the one most germane to the subject. "Promotion examinations may include practical, oral, or written tests, or be of such other nature as will in the opinion of the commission, best determine the relative qualifications of the candidates and their fitness for the position in question. The factors to be considered shall be seniority and efficiency in the service, and fitness to perform the duties of the vacant position, but the marks given for efficiency and seniority shall not exceed one half of the total marks that can be obtained at the examination."

By Mr. Bowman:

Q. Your Federation do not make any recommendation with respect to calling for written examinations, do they Mr. Dennehy?—A. No, sir.

Q. All you are asking for in this amendment is that examinations and reports and tests and records "and" recommendations shall all form a part of the general scheme of promotion?—A. Exactly. Now, we would like to suggest another thing, and that is that in section 21 of the Civil Service Act, where the word "locality" appears—

By Mr. Ernst: .

Q. Subsection 3.—A. Yes, subsection 3. We would suggest that after the word "locality" there be added the following. "Except that in the case of a post office with a revenue of $5,000 or more, per year, applications may be accepted from postal employees with 10 years' experience in the postal district in which such locality is situated."

By the Chairman:

Q. Ten thousand dollars or more?—A. No, $5,000.

Q. I must have a duplicating mind.

Q. Except in cases of post offices with a revenue of $5,000 or more per annum?—A. Applications may be accepted from postal employees with ten years experience in the postal district in which the locality is situated. At the present time the word locality is rather vague.

Mr. CHEVRIER: Is not "locality" defined in the rules of the Civil Service Commission.

Mr. BLAND: Perhaps I can clarify the situation. In the case of city post offices the appointment of postmaster is filled by promotion open to the postal district, in which case railway mail clerks in the district can apply. In the

case of rural postmasters over $5,000—revenue post offices only—the position of postmaster is open only to patrons of the office. As a result, railway mail clerks of the district are not eligible to apply.

The CHAIRMAN: We had some representations by the Civil Service Commission of which I made a note with respect to this particular matter of locality.

Mr. ERNST: With regard to revenue post offices—postmasters of revenue post offices?

The CHAIRMAN: Yes.

The WITNESS: A railway mail clerk has no control over where he may reside. He may be brought up and raised in a town and have gone to high school and then have gone into the railway mail service and he may be compelled to have his headquarters at a town twenty miles from there. He has not residence in the town where he was born and where there is a postmastership vacant.

By the Chairman:

Q. So that in dealing with questions of both locality and residence under the Act you think special provision should be made for railway mail clerks to make them eligible?—A. Not necessarily railway mail clerks in that particular sense. I believe all postal people in the postal districts who have an experience of—I would not limit the experience.

Mr. ERNST: You propose a general amendment which covers this particular case and others as well.

The CHAIRMAN: Yes.

The WITNESS: That is about all I have to say, with the exception of one remark. Sometimes railway mail clerks are penalized. I believe there are postal employees penalized by the imposition of a fine for an irregularity—I mean an irregularity with respect to inaccuracy in their work. For instance, a mail clerk, to give an illustration, may have five or ten years with a pretty good record, an excellent record, but he may sort a few letters wrong—quite easily done when you figure out that he has eight or ten thousand letters which may pass through his hands in a given time, and perhaps five or six hundred packages may pass through his hands with widely differing addresses and he may throw one of them wrong. The case is investigated locally, and, in some instances, a fine is imposed.

By the Chairman:

Q. For a first offence?—A. Oh, yes. They have been fined for first offences.

Q. Inaccuracy constitutes an offence?—A. Yes. I believe that it works a considerable hardship in many cases. We really believe that a man who is 98 per cent. efficient—the record would show that no good purpose is served by a fine imposed on this man. I mean it is just a human slip. A man is up against a difficult proposition with eight or nine hundred or a thousand packages to go into a number of bags in a certain time, and he has a number of connections and various things to think of when he is throwing these packages in, and he may make a slip, and in many cases the fine is imposed—I will not say in many cases—I say in some cases a fine is imposed.

By Mr. Chevrier:

Q. Is the fine imposed by virtue of the postal regulations?—A. I do not know that. Of course, it is the practice of the Post Office, and perhaps the practice may make it legal.

Mr. BOWMAN: Do you know anything about that, Mr. Bland?

Mr. BLAND: It is purely a departmental procedure.

By Mr. MacInnis:

Q. You said that fines were imposed in some cases and not in others. Now, there should be at least some system, because Jones, to-day, might put a package in a wrong bag and he might be fined, whereas Smith, the next day, might do the same thing and he would not be fined. That would not sound reasonable, would it?—A. No. It would not sound reasonable, but, nevertheless, that is the case.

By Mr. Chevrier:

Q. Who imposes the fine?—A. Well, I believe that the fine is imposed on the recommendation of the local district superintendent.

By the Chairman:

Q. The district superintendents are the judges who sit on these errors?—A. Yes. Of course, naturally it has to go to the headquarters staff to make the penalty effective.

By Mr. MacInnis:

Q. Do you find that certain superintendents are more prone to impose fines than others?—A. Well, I would not say that; of course, they may be.

Q. The point I wish to make— —A. There is no particular superintendent —we cannot find out—we are speaking of a grievance right through the service and cannot point to any particular superintendent, any particular railway inspector of the mail service, who is more severe than others in recommending fines.

Q. The point I wish to make is that if fines are imposed they are imposed for a purpose. Now, we might make some recommendation in regard to that, but that fines are indiscriminately imposed surely you would not say that such is the case?—A. I would not say they are indiscriminately imposed. There is, of course, an investigation in all cases, although sometimes it may not be very complete; it may be cursory.

By the Chairman:

Q. Your broad proposition is that if each one of us were 98 per cent. efficient in our job the world would run a great deal better, and, therefore, we should not ask more than 98 per cent. efficiency?—A. Yes. That is what I mean, to bring it down to brass tacks.

By Mr. Vallance:

Q. Would you suggest that no action—no reprimand or anything—should take place?—A. Not unless offence is conclusively proven.

Q. Are the fines sometimes imposed without a case being conclusively proven?—A. Oh, yes; that is the representation I am making. I am protesting against the imposition of fines by the department in many cases for trivial offences.

Q. And they are not proven?—A. Well, I would not say that.

The CHAIRMAN: It is a question of a person's opinion. It may be proven to the satisfaction of the District Superintendent, and it may not be proven to the satisfaction of the men.

Mr. VALLANCE: What I would like to know is what would Mr. Denneby suggest should be done instead of fining, or would he suggest that nothing be done?

The WITNESS: I imagine that the general record ought to be taken into account.

Mr. MACINNIS: That is the point.. If a mail clerk inadvertently puts a package into a wrong bag, the proof that it is found in a wrong bag is sufficient proof.

Mr. CHEVRIER: If that is what occurs on his first offence, what about his second offence?

The CHAIRMAN: No. Mr. Dennehy's proposition is that if, on his record, he is 98 per cent. efficient, first offence should be overlooked.

Mr. CHEVRIER: Suppose his efficiency is 98 per cent. and he makes a mistake, and suppose he is let go because he is 98 per cent. efficient, the fact remains that he has made a mistake.

The CHAIRMAN: That reduces his efficiency.

Mr. CHEVRIER: What about the next time? He is no longer 98 per cent. after he makes one mistake.

Mr. ERNST: It is a pretty hard proposition to deal with. It is something like an engineer inadvertently going past a signal, although his record may be excellent for twenty years, the fact remains that he may cause a wreck.

The WITNESS: Oh, yes; still, of course, in our work, we have considerable manipulative work of this kind, and a man who can make a good average—say a man has been free from all errors or mistakes for twelve months, there should be some recognition of that factor.

By Mr. Bowman:

Q. From your original general remarks, Mr. Dennehy, I take it that you are pretty well satisfied with the way the postal service is run?—A. Yes sir.

Q. By the higher officials?—A. Yes, very well.

Q. Do you not think that this point is a matter of consultation between your organization and these officials, and not really a matter for this Committee; it is departmental matter?—A. It may be a matter for the Committee in this respect, that it is pretty hard for a man making a small salary to pay a fine of three, four or five dollars or couple of days' pay.

The CHAIRMAN: He would be fined that much for parking his automobile.

By Mr. Vallance:

Q. Would you not suggest that probably the reason why this man is 98 per cent. efficient is due to the fact that first errors are fined? Would that not follow?—A. Oh, no.

Q. It might have a tendency?—A. No. I do not think so. The experienced man who is a mail clerk is trying his utmost to do well.

Q. I think we give credit for that to all the departments of government?—A. It is just the practice of the Government, in some cases, if a man makes a mistake. It is pretty hard to penalize him.

Mr. CHEVRIER: If there is no exercise of arbitrary power, I do not know that we can deal with it.

Mr. BOWMAN: And it is really a departmental matter.

By Mr. Ernst:

Q. There was one question I wanted to ask you. You had up, at different occasions, the question of retirement superannuation, have you any suggestion to make in regard to your particular calling? I know that the physical demands it makes must be fairly great. You have fairly long hours on the train and you are standing on your feet a great deal?—A. Mr. Chairman, we would very much like the Superannuation Act to be reopened and we certainly would like the superannuation age—the optional age for retirement under the Superannuation Act—to be lowered in the case of railway mail clerks.

By the Chairman:

Q. Lowered to what age?—A. I would suggest sixty years.

By Mr. Ernst:

Q. Instead of sixty-five?—A. Yes. Sixty years is the age which the American Board of Actuaries recommended for the American railway mail clerks, and that is the optional age at which the American railway mail clerk can retire. The reason was that it is a hazardous job—a railway mail clerk is exposed to extremes of heat and cold, he is working in a confined space in his railway mail car. Perhaps three or four men on the front line are working in confined space, and oftentimes some have to go out of that car and go back two or three cars and handle eight or nine hundred bags of mail—sometimes when it is 20 degrees below zero—and come right back and go into that car again and just hit the ball right through for the rest of the night, or the day, as the case may be. Now, we believe that that worker ages by reason of that work, and that he dies earlier than the average civil srvant. I would like, if it please the Committee, to send in a memorandum on that very thing.

The CHAIRMAN: I think we have got your point.

Mr. CHEVRIER: Do you voice the sentiments of your Federation?

The WITNESS: Oh, most assuredly.

By the Chairman:

Q. It is obvious that you have a hazardous occupation as compared with the average civil servant?—A. Yes, we have, industrially and physically.

Q. I was using the word in a very broad sense?—A. Yes.

Mr. CHEVRIER: There is considerable in that.

The WITNESS: Yes. We believe that we should have a lower option of superannuation age. It was quite a study in the United States. United States actuaries went into it very fully, and ours is simply a parallel case.

FRED KNOWLES, National Secretary-Treasurer, Amalgamated Civil Servants of Canada, called and sworn.

By the Chairman:

Q. You are secretary of the Amalgamated Civil Servants of Canada, Mr. Knowles?—A. Yes.

Q. Is your organization affiliated with the Civil Service Federation, or are you one of the separate and distinct organizations?—A. We are an independent organization affiliated with no one.

By Mr. Ernst:

Q. And you represent how many civil servants?—A. We have 4,899 paid-up members—approximately 5,000 members, counting delinquents.

Q. And are they largely at headquarters at Ottawa?—A. No. No members in Ottawa; all outside of Ottawa.

By Mr. Chevrier:

Q. In what classifications, are they?—A. All departments. Our organization believes that there should be only one Civil Service organization in Canada, and we set out with that idea some years ago, and we have continued. We believe we should have one organization in Canada, organized by departmental groups.

Q. Do you take in the clerical side and the mechanical side?—A. We take in any person hired by the Government.

By Mr. Ernst:

Q. You believe there should be one organization, and that your own should be that one?—A. Not necessarily.

The CHAIRMAN: You would be satisfied with ony one, so long as it is one.

By Mr. Ernst:

Q. What is the objection to the Federation?—A. Because the Federation is an organization of separate organizations affiliated. We want to see one organization under a direct voice. We do not care if you call it amalgamated or anything else.

Q. Your idea in your organization is that you want a direct membership in the association which is to represent you?—A. Yes.

Q. Not a delegate representation?—A. That is right, autonomy on departmental affairs, and real unity on affairs common to all.

The Chairman:

Q. Go ahead, Mr. Knowles.

The WITNESS: Now, Mr. Chairman, I might state that I am in either a fortunate or unfortunate position, inasfar as practically all of the questions that I have to set before you have already been covered by someone else.

Q. You might tell us those which you endorse and those with which you disagree?—A. I would like to read our proposals and just give you a number of statements here. Then you can question me if you so desire:

(1) That the Civil Service Act be amended to provide:

> That whenever any officer in the service may be granted a period of leave of absence with pay on his or her retirement from the service, he shall, in lieu of such leave of absence with pay, be paid out of the consolidated revenue fund, a gratuity equal to the amount of pay which he would have received if he had been granted such leave of absence, and the position occupied by the employee concerned shall become vacant from the date of such payment.

In the first place, this is already covered in the National Revenue Act for employees in the National Revenue department, and from what I understand, it is working well. I believe it should be made all-embracing on all departments of the government, and not have one department of the government treated one way and another department of the government treated in another way. In support of the principle I would like to say it would be a good thing to set up promotion in the service and also to allay what is merely a suspicion in respect to promotion. For instance, under existing conditions, a person retiring from the service with less than ten years of service gets an accumulated sick leave up to a maximum of sixty days, and after that, if he is under the Superannuation Act, or the Retirement Fund Act, he receives on a graded scale retiring leave of three months up to ten years, four months after fifteen years, five months after twenty years and six months after twenty-five years service. When these people are retired, in most cases—speaking of normal conditions—the position is to be filled by someone. If a man is leaving for six months, then some person takes his place for six months and does the work. In the mind of some people this creates a suspicion that that person has been placed in a promoted position on purpose to give him a leverage for the promotion when it is advertised. On the other hand, if that person, after doing six month's work, does not get the promotion, he feels that he is not being treated fairly. So, no matter which way it goes, I assume that the Civil Service Commission are blamed. If a man was to retire

the position could be filled by promotion, surely without pretence or without any suspicion of favoritism, for that is a charge that is pretty hard to prove or disprove at any time. That, in effect, is the reason for our requesting number one.

(2) That the Civil Service Act be amended to provide that: The status of any employee in the Civil Service appointed prior to the 15th day of February 1918 whose employment therein has since been continuous, shall, subject to the approval of the department and the Commission, be deemed to be and shall be such as to entitle him (or her) to all the benefits enjoyed by employees classified as permanent."

This clause refers to employees who were in the public service prior to the passing of the Civil Service Act and who were not blanketed in under the Civil Service Act along with other employees prior to the abolition of the blanketing in regulation in, I think, 1922.

By the Chairman:

Q. Excuse me, but we are familiar with what you are telling us because that ground has been covered before. I was wondering if a suggestion might not be in order that you take these things up one at a time and give us your views on some cases, and if any of the members of the Committee run across anything with which they are not thoroughly familiar they will just stop you and ask you if you would give your reasons for that particular thing?—A. With respect to this number 2, I would like to make some remarks as to the effect of it.

Q. I think we are thoroughly familiar with the effects of it. We have had similar representations made by two different witnesses.

By Mr. Bowman:

Q. The effect of the recommendation which you make is really to make entry into the Civil Service retroactive and have the same effect as if they had gone in in 1918?—A. Yes. Some of them have been thirty years on the job now as temporaries. I understand that these people cannot be promoted.

The CHAIRMAN: Yes. We have had all this explained to us.

The WITNESS: Number 3:—

(3) *Appraisers and Preventative Officers, National Revenue Department.*

We request the repeal of Chapter 37, 18-19 George V, 1928.

By Mr. Ernst:

Q. How many appraisers do you represent?—A. I do not know.

By Mr. Chevrier:

Q. Do you know whether you are speaking for any appraisers?—A. I know I am speaking for the Customs officers in our organization as represented at our convention, but how many appraisers we have I could not tell you, I do not know.

By the Chairman:

Q. Mr. Burns went pretty thoroughly into this question about the appraisers and was requesting the repeal of the same Act?—A. I would like to say, in respect to appraisers, that since this Act has been passed I understand that a large percentage of them have been taken from the regular service by promotion from within the staff, and, that being so, that would negate the necessity for the legislation that was passed. A man not hired under the scope of the Civil

Service Act can't be promoted to a position inside the Civil Service Act, and it creates a condition that is not very good.

I would like to say something with respect to the Preventive Officers, and what is happening at the present time, to show you the anomalies that are created by taking a section of the service from under the Act and placing other sections outside of the scope of the Act. I have a set case: Four individuals—during this week only—four individuals hired in the Civil Service away back in 1920 by competitive examination, passed the examination and, subsequently, while the Preventive service was under the Civil Service Commission were promoted for efficient service, then taken away by this legislation from the scope of the Civil Service Act, and again, for efficient service, *via* the Minister of the Crown, received a further promotion for good work. Now, we find that the Mounted Police are taking over the Preventive Service. They are not going to search vessels, that is the particular work that these four individuals do. There is nothing in the establishment of the Customs department, as it is to-day, to provide for facilities for searching ships, and these four fellows do not know this morning whether they are going to work or not.

Mr. CHEVRIER: By having the Mounted Police to do that work I assume that the Minister had in mind greater efficiency?

Mr. ERNST: And economy.

By Mr. Chevrier:

Q. What is the reason for objecting to what has been done? Surely the step taken in that direction must have been with a two-fold idea. The first, I suppose, would be the efficiency of the service, and, secondly, economy.—A. Well, am I to assume, in answer to that, that civil servants are taken away from the scope of the Civil Service Act on the grounds of economy?

Q. No. I am not trying to argue with you.—A. My argument is that these people should be heard by the Civil Service Commission and should be retained under the Civil Service Act, and, unless it can be shown that economy can be served by taking them away from the Act, why take them away?

Q. There must be some reason.

By Mr. Ernst:

Q. They were taken away some years ago?—A. We are objecting to that.

Q. They were taken away by the Statute of 1928?—A. We are objecting to any particular class in the Civil Service being taken away from the scope of the Civil Service Act because of the anomaly it creates between individuals in different sections of the service, when one man can be promoted to a position and another man cannot.

Q. Do you contend that the Preventive Service, as it exists, should be under the Civil Service Act; that the present personnel of the Preventive force should be made civil servants?—A. Now, you have got me between yesterday and to-day.

Q. No, that is a fair question?—A. Yesterday I would have said that the Preventive service should be retained under the scope of the Civil Service Act. Whether the Mounted Police should be under the Civil Service—

Q. That is another question?—A. That is another question entirely.

Q. You, as a civil servant, are aware that the Preventive service in the present government and the previous government have not been merit appointments within the meaning of the Civil Service Act?—A. I say they should be.

Q. They have not been. They have been patronage appointments largely? —A. Some of them; some have not. How about these four men?

Q. I am talking about the Service which came into existence after 1928. There were some transfers, but, in the main, it is composed of a new personnel?—A. Yes. Hired by the Civil Service Commission.

Q. No, not hired by the Civil Service Commission; appointed by order in council?—A. That is news to me.

Q. I am telling you that there are a great many that never would have been hired by the Civil Service Commission, or else, I would have gathered a very poor opinion of the Commission?—A. Oh, that strengthens my stand.

By Mr. MacInnis:

Q. The position you take is that that class should not be taken from outside the scope of the Civil Service Act?—A. I say the Civil Service Act is either good or bad. Personally, I know it is good; and, if it is good, it should be all-embracing.

By Mr. Bowman:

Q. Under no circumstances should any civil servant be taken away from the operation of the Act?—A. Exactly.

By Mr. Ernst:

Q. You are really contending on behalf of the old employees and on behalf of the Preventive staff as a whole?—A. I am contending on behalf of all employees of the Dominion government, as far as I know them. Those that come outside of the scope of the Civil Service Act are tickled to death to get under the Civil Service Act—after they have got through the door.

Q. I have no doubt. I am talking about the absolute negation of the principle. If you take them from under the Civil Service Act, you would have them without merit appointment?—A. That happened in the first place. When they first extended the scope of the Act in 1918, all those in the Service were classified irrespective of how they entered the Service. Then, later, the department of Pensions and National Health—the D.S.C.R.—when they were brought under the Civil Service Act, were confirmed in the positions that they were holding at the date of transfer.

Q. You are back in 1918 when the Act was extended. I am asking you about to-day. You are coming here and arguing for the Preventive force. I happen to be familiar with some phases of that force. Do you contend that to-day they should be brought under the operation of the Civil Service Act?—A. Whether they are good servants or bad?

Q. I am asking you if you contend that as a class they should be brought under the operation of the Civil Service Act?—A. Yes.

Q. You do?—A. Yes.

Q. Do you believe in the merit system?—A. Yes.

Q. I cannot see how you can.

By Mr. MacInnis:

Q. As a matter of fact, your position is that you cannot undo the wrong that has been done, but you can prevent it being done again?—A. Yes, prevent it being done again.

Mr. ERNST: I cannot see the logic in it.

The WITNESS: I can see the logic in it. If something has been done wrong which I cannot undo, I cannot see that I am inconsistent when I say that wrong should be debarred from happening again.

By Mr. MacInnis:

Q. Apparently it is going to, if they become members of the Mounted Police?—A. How about those fellows who entered originally?

Q. I agree it is a case of hardship, but I further content that if your suggestion is given effect to, you are doing a great injustice to the country?—A. If that is so, why doesn't the country fire them?

By Mr. Bowman:

Q. Do you want them fired?—A. Exactly, if they are not good servants. If we see these people are not good servants I say that they have no license to draw salaries from the Crown.

Q. Nobody is saying they are not good civil servants?—A. By inference, my friend says so.

Mr. ERNST: I say they are not appointed under the merit system.

The WITNESS: You said a little while ago that some of these men would not have been hired by the Civil Service Commission. The only inference was they were no good.

By Mr. Ernst:

Q. I have no hesitation in saying that from personal experience some of them are fine men and some would not have been hired by the Civil Service Commission?—A. Then, they are no good and they should not have been paid by the Crown.

Q. How can you draw the line?—A. Oh, you can draw the line if you desire to. There is no difficulty about that. Now, number 4:—

(4). We request the repeal of "An Act to amend the Civil Service Act. (Private Secretaries) known as Chapter 38, 19-20 George V, 1929.'

Mr. MACINNIS: That was gone into pretty fully yesterday.

The WITNESS: Do you think they went fully into it?

The CHAIRMAN: We had quite a lengthy discussion on that with Mr. Lawson, President of the Civil Service Association, in order that we might have all that might be said on it both ways.

The WITNESS: I did not read his evidence. Are you of the opinion that he put up a good case?

The CHAIRMAN: Yes.

The WITNESS: I will let it rest at that. Number 5:—

(5) We request that P.C. 1053 of June 29th, 1922 which removed from the scope of the Civil Service Act some 13,000 employees previously thereunder, be cancelled, and that the positions affected be returned within the scope of the Civil Service Act.

The CHAIRMAN: Now, just a moment until I get the gist of P.C. 1053.

The WITNESS: In effect it took out those classes under prevailing rates.

By Mr. Ernst:

Q. You start with the employees on government railways, is that right, schedule (*c*)?—A. I do not think that is P.C. 1053. I exclude those on government railways.

Q. There are a great many there that you would not want included as civil servants?—A. Yes. I do not think that the railway employees were ever under the Civil Service Act. I am referring to classes that were previously under the Act and were excluded.

By the Chairman:

Q. I think your schedule (*c*) covers the situation, because where the exclusion has taken place under P.C. 1053 it is so indicated in your schedule?

—A. Yes. Well, the reasons are similar to the other reasons. I would like to give an illustration—a stated case. Here an employee takes an examination for the position of cleaner and helper inside the scope of the Civil Service Act. During the waiting period—that is while he is waiting to get a job—he was offered and he accepted a position as fireman labourer which was outside the scope of the Civil Service Act. He worked as a fireman labourer, I think for the last twelve years—a returned soldier, a disability case, and so on—in the Southam building at Calgary. He came to the Federal building in Calgary and because the Federal building is not heated with coal they found that there is no position for a fireman labourer. The department transfered this man because he is a good worker as a cleaner and helper in the new building. They cannot make him permanent because he is not under the scope of the Civil Service Act. It seems to me that conditions of that nature should be obviated. Why have a position outside the Civil Service Act? If that position was within the Act he might have been promoted to cleaner and helper and transferred from one position to another. Instead of that, unless special dispensation is made, the man is put out on the street. That is not an isolated case, there are all kinds of cases where men could be transferred to another position, if they were all under the Civil Service—the Outsides and the Insides. Now, it is absurd. I do not think a business institution would stand for running its business in that way, where one man could not be promoted and another man could, and this man goes by the back door and this man by the front door. It seems to me an absurdity. I think it is wrong. Very much so. Now, number 6:—

(6) We request that the Income Tax Branch of the department of National Revenue, and the Soldier Settlement Board be brought within the scope of the Civil Service Act, and, progressively all other branches of the service now exempt.

We feel that the Income Tax Branch of the department of National Revenue is a permanent institution. I think it will be conceded that Income Tax is a permanent institution for a long time, and I see no reason why that branch should not be made a permanent branch of the government and the employees brought under the Civil Service Act in the same manner as the Post Office department and in the same manner as the Pensions and National Health department was brought under the Civil Service Act ten years ago. The same thing applies in respect to the Soldier Settlement Board. There is little difference. The Soldier Settlement Board employees are all hired on temporary service certificates from year to year. Some of them have been there twelve years. They are in the main returned soldiers that have been placed there under Soldiers Civil Re-Establishment, and it seems to me that these men should be given some protection. The staff has been reduced. I understand it is down almost to a minimum now. It would seem to me to be a good time to tackle the question of making the Soldier Settlement Board permanent.

By Mr. Bowman:

Q. The staff is about at a maximum, don't you think?—A. No, they had a reorganization last year, and I understand that the staff at the moment is at the minimum.

The CHAIRMAN: He was speaking of Income Tax.

The WITNESS: No. I am talking of the Soldier Settlement Board. They were reorganized last year, and I understand both from the Minister of the department and the Chairman of the Board that the staff is at an irreducible minimum at the moment. Now, the last, is Civil Service Councils:—

(7) *Civil Service Councils.* We request that effect be given to the provisions of P.C. 970 of the 7th of May, 1930.

I think Mr. Phelan spoke on this. The matter came up originally in 1923 via the report from a committee such as this known as the Malcolm Committee. The question was brought forward in the House of Commons by one of the members of parliament from Winnipeg, and the principle was agreed to by parliament and subsequently by order in council. This order in council P.C. 970 was passed.

By Mr. MacInnis:

Q. Are you in substantial agreement with the suggestions made by Mr. Phelan yesterday?—A. On that?

Q. Yes?—A. On this particular point, yes.

By Mr. Ernst:

Q. Mr. Phelan had an alternative proposition?—A. I do not like the alternative proposition. Because I do not see the force of an appeal board separate and apart from this Civil Service Council to take up grievances of individuals.

Q. Of course, Mr. Phelan meant it to be broader in scope than that?—A. Yes, it was so broad in scope that the broadness of the scope was its weakness. I have been doing nothing else since 1928 but interviewing heads of departments, the Civil Service Commission and people generally, on individual grievances. Perhaps I am the wrong man to say it, but I think I do very well on individual grievances. If we had an appeal board to appeal something other than individual grievances perhaps it would be all right. I cannot see an all-embracing appeal board. Why, they would never have time to do anything else.

Q. That was my suggestion to Mr. Phelan?—A. From my own experience I know how many hours they would put in.

By Mr. Laurin:

Q. Are you a Civil Service employee?—A. I am a letter carrier on leave of absence without pay. I am paid by the men I represent. I am paid by the organization and I get leave of absence from the Post Office department sanctioned annually by the Civil Service Commission.

By Mr. Bowman:

Q. So as to keep your standing?—A. Yes, sir.

By the Chairman:

Q. You favour a Civil Service Council as outlined in P.C. 970?—A. Yes.

Q. And your organization is opposed to an appeal board such as Mr. Phelan suggested—A. Well, perhaps it is not for me to say that the organization is opposed, I have no authority from the organization to concur in it.

Q. You are personally opposed to it—A. Personally, I am opposed to it.

By Mr. MacInnis:

Q. You think it would be inoperative because of the multitude of appeals? —A. I think what Mr. Phelan was driving at,—he wanted to make appeals against classification either for group or individuals. I contend that if the provisions of this order in council are carried out, the principle of which has been adopted by Parliament, he would gain the same objective, without the creation of any special committee such as he suggested.

By the Chairman:

Q. I have been looking over P.C. 970. It appears to be pretty wide in its scope?—A. It does not say anything.

Mr. BOWMAN: Is that why you are in favour of it?

The CHAIRMAN: Some of us on this Committee might contend that is characteristic.

The WITNESS: Well, you see all it does, it outlines who shall represent the staff side and who shall represent the administrative side—the departments—and it says between them they shall draw up a constitution. Now, I do not know what kind of a constitution they would draw up, and you do not know. Therefore, to that extent, I say, it says nothing except that when the constitution is drawn up it shall be approved by the Governor in Council. But apart from that what does it say?

By Mr. Bowman:

Q. I was wondering why you were so much in favour of it?—A. Because we feel that a committee composed of the administrative side and the staff side with a representative of the Civil Service Commission could draw up a constitution to cover these classes that would be approved by the Governor in Council. I believe that can be done, and it can be done better by co-operation with the administrative heads, the Civil Service Commission and the staff side—I would say better than by anybody else.

Q. Mr. Phelan's idea is more or less a modification of that?—A. Oh, yes. I do not think Mr. Phelan wanted his suggested committee to take precedence over this.

Mr. ERNST: He put it forward as an alternative only.

The WITNESS: Yes. We want the whole thing, not the alternative. I have only one thing to add, and that is in respect to a question which the Chairman asked Mr. Bland the other day with regard to letter carriers' examinations. I have been a letter carrier for twenty years and I know something about it. The examination to-day is not an examination for letter carriers; it is an examination for postal helpers. There is no separate examination for letter carrier. It is an examination for postal helper. Now, the postal helper can be assigned to any duties that the postmaster or his deputy desires him to work at. He can either be assigned to be a clerk for a period, if there is a clerk asked for, he can be a letter carrier—if there is a letter carrier asked for—or he can be relieving a mail porter who is taking his annual leave; so the examination is not merely for a letter carrier.

By the Chairman:

Q. Go a step further. Why should there not be an examination for letter carriers?—A. Well, I will agree with you, because we have been trying to get the abolition of the postal helper class for some time, because it has outlived its usefulness. I think the Civil Service Commission agrees to the abolition of the postal helper class and the Post Office department agreed to the abolition of the postal helper class, but it would cost the country $70,000 to do so. In the estimates for 1932, that $70,000 was struck out, and I think I am safe in saying it was struck out this year.

Q. It would cost that to eliminate the postal helper class?—A. Yes; because of this: The postal helper starts in at a salary of $1,020 per annum and goes to the maximum of $1,300. There he stops, unless he is promoted to letter carrier or clerk. On the other hand, if you hire a man as a letter carrier he must go into the Service at a minimum salary which is $60 per annum greater than the minimum salary of the postal helper, and that is where the $70,000 would go.

Q. The question I raised with respect to examinations submitted to letter carriers was that they asked questions eliciting knowledge which no letter carrier need have?—A. That was it. I was here.

Q. And the reason given me was that it is a joint examination for both letter carrier and postal helper. Therefore, it seemed to me that a postal helper must have knowledge beyond that which a letter carrier would require?—A. Sure.

Q. If that is so, on what earthly basis is the postal helper class lower than the letter carrier class, because their maximum is $1,260 and letter carrier's maximum is $1.500?—A. Do you want me to answer that honestly.

Q. Yes, I do?—A. Cheap labour.

Q. I do not see why cheap labour would make the man who must have more qualifications, more knowledge, not qualifications—more knowledge of geography—why should he be so ambitious to be in a class which pays less than another class which does not require as extensive a knowledge?—A. It is, perhaps, better to get a proper background, and to go to the real reason for the formation of the postal helper class. When I started in the service first there was no Civil Service Commission, but, subsequently, there were examinations for a mail porter and examinations for letter carriers and examinations for clerks as separate entities entirely. During the war quite a number of letter carriers and post office employees generally enlisted and went overseas. Naturally the Post Office department had to fill their positions while they were absent at the front and they guaranteed to the men when they enlisted their employment when they returned. After the war was over. When the men returned there were other men working in the Post Office who also were returned soldiers—holding the positions temporarily, they were let out and hired as relief men from the 1st of April to the 1st of October. Then they were brought up from October to the 15th of December. Then they worked for four weeks during the Christmas rush, were laid off again and hired again on the 1st of April, and so on. Naturally, the returned soldiers complained at this idea of working as temporaries for three, four or five years at the minimum salary. They wanted steady employment, and a scheme was devised under the then Postmaster General, the Honourable Charles Murphy, whereby they absorbed these returned soldiers and formed the postal helper class with a maximum salary less than the maximum salary of the letter carrier and a minimum salary less than the minimum salary of the letter carrier. That is how it originated in the first place. There is another phase to the examination question besides this; there is the question of promotion. The higher the educational standard of the entrance is, I might say, generally speaking, the better class of civil servant you will get.

Q. Oh, yes, that may be true as a general statement, Mr. Knowles, but the matter I had reference to was, for example, asking a man in what country a certain city was. It might be somewhere in Europe. The man might not be able to answer that before he entered the service, but as soon as he was in the service, knowing that he had a possibility of promotion if he became familiar with the geography of Europe, it would be a simple matter for him to sit down and learn that?—A. Not so simple; he would not do it.

Q. Then he would not get the promotion?—A. If it is so simple to learn, when he is in the service, what is the trouble with him learning it before he comes in?

Q. Because he does not know it is required of him?—A. He does not know?

Q. No. He does not know it is required of him?—A. He could find out.

Q. I do not want to make it a personal matter, but this is the only way I can think of illustrating my point. You will probably agree with me, although none of the other members of the Committee will, that with my educational qualification I could probably get promotion in the Post Office department—if I studied for it—but I could not answer some of the questions that were on that examination paper for letter carrier and postal helper as to where certain cities were in Europe and what countries they were in and so forth; but, as I said

before, my eleven year old boy in school, who has just finished studying the geography of Europe and has now gone on to Africa, could answer those questions?—A. Perhaps it is a peculiar case, but I took the examination in 1928 and I never studied at all and it was a similar examination to that, and I got 98 per cent. I did not find anything hard about it. Any question that is a simple question is a hard question if you do not know how to answer it.

Q. That is true. At the moment I seem to have propounded one. However, I may take it that you are favourable to a separate examination being set for a letter carrier?—A. The organization is in favour of the abolition of the postal helper class.

By Mr. Ernst:

Q. Would they make them all letter carriers?—A. No, but a separate examination for letter carrier, for postal helper, and postal porters.

By Mr. Bowman:

Q. Probably that change would come about if the salary was put on such a basis that there would be no increase in cost to the country?—A. Do you mean reducing the salary of letter carriers down to the postal helper class?

Q. No.—A. That is one way you could do it and save money.

Q. I am not suggesting this would be saving any money; but the suggestion you made means expending more money—to the extent of $70,000 a year?—A. That is correct. I sincerely believe that if the present economic conditions improve that the postal helper class will be abolished because the Commission is agreeable, but it is a question of the financial condition of the country.

By Mr. Ernst:

Q. And if it can be done without scaling the letter carriers down you want it done?—A. Yes sir.

Q. But you do not want letter carriers reduced to the postal helper class?—A. Do you want me to be shot? No, of course not.

The CHAIRMAN: That is expecting too much of human nature.

Mr. ERNST: Your candour is delightful.

Mr. VALLANCE: I would like to pay you the compliment, Mr. Knowles, of saying that you have matched wits with at least the legal brains of this Committee.

The CHAIRMAN: The farming element of the Committee is wise enough to keep quiet.

Mr. VALLANCE: I knew Mr. Knowles long before he came here.

The Committee adjourned to meet Tuesday morning at 11 o'clock a.m.

HOUSE OF COMMONS,

APRIL 5, 1932.

The Select Special Committee to inquire into appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 11 a.m., Mr. Lawson presiding.

The CHAIRMAN: Mr. Vallance 'phoned me he had to go to the Agriculture Committee for a while. There are a couple of our members who have to be there for part of the time. Is there any particular schedule arranged for this morning, Mr. McEvoy?

The CLERK: No, Mr. Chairman.

WILLIAM NEVILLE DUNCAN, called and sworn.

By the Chairman:

Q. I understand, Mr. Duncan, that you are the national secretary of the United Postal Employees of Canada?—A. That is correct, sir.

Q. How many members are there in your association?—A. Twenty-four hundred.

Q. Twenty-four hundred?—A. Yes.

Q. What classes of civil servants are represented in that membership?—A. Postal clerks; postal porters; transfer helpers and chauffeurs.

By Mr. Ernst:

Q. How many, did you say? I did not catch how many you said.—A. Twenty-four hundred.

By the Chairman:

Q. United Postal Employees of Canada?—A. Yes.

Q. So that generally speaking, Mr. Duncan, the membership of your organization are those holding lower grade appointments in the Post Office Department—in the postal service?—A. That is correct, sir.

Q. Then, Mr. Duncan, I believe you wish to make some representations to this Committee on behalf of this group of civil servants?

By Mr. MacInnis:

Q. Are you affiliated with any other organizations that have already been represented here?—A. No.

By Mr. Laurin:

Q. Are you still employed?—A. I am an employee on leave, occupying the position at present of national secretary-treasurer.

By Mr. Ernst:

Q. In Ottawa?—A. I am not a resident in this city, no.

Q. You are resident where?—A. Toronto.

By Mr. Laurin:

Q. Have you been employed a long time?—A. Twelve years.

Q. When did you quit or leave the employ of the Service?

The CHAIRMAN: He is on leave, without pay, so that he can act as national secretary of this organization.

Q. Then, Mr. Duncan, you wanted to make some statement to this Committee on behalf of those you represent?—A. Yes, Mr. Chairman. First, I have a short memorandum I would like to read to you and, after the memorandum is read, you may ask any questions.

Q. We may interrupt you as you go along?—A. Gentlemen, we respectfully wish to present certain observations to your Committee which will reflect the opinions of the members of the Civil Service whose occupations are mostly confined to the inside manipulative staffs of the different post offices in the country. Our members are definitely in favour of a system which has for its intention the observation of the principle whereby promotions are accorded to merit. Our understanding of the Civil Service Act which, at the moment, serves to govern the administration of the Civil Service, is that the intention to promote by merit is definitely set forth, and for that reason we believe that the best interest of all can be served under a law such as we have, than operated under a scheme through patronage. Our present interest in your inquiry is caused by a desire further to safeguard the Service in regard to merit by suggesting, if we can, where changes can profitably be made, either by amendment to the Act, or by more widened application of its provisions as it now stands.

We are not satisfied that the intention as to merit is fully observed, and in this we do not wish definitely to attach any blame to the Civil Service Commission itself, because it is realized that under the present plan of rating applicants for promotion, the Commission bases its decisions very largely upon the evidence which is submitted to it by the officials of the department concerned. In accordance with the procedure now required, ratings are procured through departmental channels which are intended to set forth the qualifications of candidates for promotion. These are first furnished by the immediate supervisors of applicants, sent by the postmaster of the office concerned to the Post Office department and from there to the Civil Service Commission. In this process it appears as if the deputy minister has the final authority, though we have no actual evidence which would indicate the ratings undergo any change once they have left the postmaster of the office where they originated. It is felt, however, that there is too much leeway for the operation of considerations other than actual merit, such as, favouritism by supervisors for candidates, and all the elements of personal relationship which, in the end, may make for patronage, even though it cannot be considered political. Under the system it cannot be considered political. Under the system of rating now used, departmental patronage could be employed in the filling of positions, and, at the same time, appear respectable, because ratings could be made in such a manner as might convince the Civil Service Commission that the most highly qualified man had been chosen.

By the Chairman:

Q. Have you finished with that aspect of your statement?—A. Yes.

Q. Am I to understand from what you have expressed in very graceful language that the objection of your association to the present system is that you think you have a system of favouritism, rather than a system of patronage, operated under the so-called merit system?—A. We believe there is room for that kind of thing; there is leeway for that kind of thing in the present rating system.

Q. Now, we ask you to go further than that; that you merely tell us there is room for something, does not help this Committee very much. Is it your

opinion there has been favouritism?—A. Yes. I will bring that out further in my evidence.

The CHAIRMAN: Are there any further questions any gentlemen wish to ask on this phase of the question?

Mr. MACINNIS: I think the Chairman put a wrong construction on the witness' attitude towards the Civil Service Commission. He is satisfied with the system, with the intention of the Act.

Q. You are not satisfied that it works in the way in which it was intended? —A. No.

By Mr. Chevrier:

Q. Then, as you go along, can you tell us more—it is all very well to say there are rumours of something, but if you feel there is something like that, you are not offering any constructive criticism?—A. The suggestion for improving is what concerns us most.

The CHAIRMAN: What concerns me most, is the evidence of any abuses that now exist. We will find a mass of remedies, if we find there are abuses.

Q. Go ahead?—A. Another aspect of this system of rating candidates for promotion is that the percentages obtained by different officers applying for promotion may not be true indications of merit, because they can be affected by the differences inherent in the minds of separate rating officers, all of whom may have their own opinions as to the maximum percentage which can be given to the best man on their staff.

To illustrate what takes place,—a position for a principal postal clerk becomes vacant in a city post office: Any postal clerk or senior postal clerk in that office is eligible for promotion and may apply.

Q. From different staffs?—A. Now, as a possible means of obviating difficulties of that nature, the United Postal Employees of Canada are in favour of a rating board which, it is believed, could be established with very little, if any, expense.

Q. To the Government?—A. To the representative of the personnel where the position is to be filled.

By Mr. Bowman:

Q. Just a moment. Would you mind repeating again of whom the boards will consist?—A. A representative of the Civil Service Commission, a representative of the Department concerned and a representative of the personnel where the position is to be filled.

Q. Would that third man mean, for example, in the case of a man coming in from your organization, a representative of your organization?—A. No, we would not recommend that a man belonging to the staff should belong to our organization.

Q. How would you choose as between the representative of the personnel and the representative of the staff?—A. By decision of the membership, or the personnel, in the office of a district superintendent.

By Mr. Laurin:

Q. Suppose there are five or six branches, will there be five or six representatives?—A. No. I think I can illustrate that a little better.

Q. Go ahead.—A. Then, for instance, many ratings of candidates could be required to justify their ratings before the board. I think that covers your question.

By Mr. MacInnis:

Q. Let me see if I follow you. Your idea is that not all the candidates for promotion should, in the first instance, come before this board, but that they should be rated as they are now, by the department?—A. Yes.

Q. And officials?—A. Yes.

Q. And that this board should then sit as a board of review, if I might so call it, to equalize all these ratings?—A. Yes.

Q. And the board of review would be available if so desired; not only the officers who made the ratings, but the men in respect of whom the ratings had been made?—A. Yes.

By Mr. Bowman:

Q. All the candidates would come before the board?—A. Yes, all the candidates.

By the Chairman:

Q. If the board so desired?—A. Yes.

By Mr. Laurin:

Q. Do you not think a superintendent, who has from fifteen to twenty years' experience, is efficient to make the necessary choice?—A. Yes, I do. I think he has the capacity to choose a man from his staff to characterize the different viewpoints.

Q. Suppose all the branches make their choice, do you think it would be necessary to have a representative of the Civil Service Commission on the board?—A. If you have one representative of the personnel and one representative of the Department.

Q. Do you think it would be necessary to have a representative from the Civil Service Commission?—A. Yes, I think so.

Q. Why?—A. Under the Civil Service Act, as it now stands—

Q. Do you not think you have the competence to make the choice with the two representatives?—A. I believe the supervisors and the men in charge of the staff concerned are competent to choose the correct man.

Q. Then you would have a representative of the Civil Service Commission?—A. Not if the board were composed of three representatives.

Q. Do you admit the representatives of the Department have the necessary competence?—A. Speaking in a general way, yes.

Q. If you have a representative of the personnel, that would complete the choice. If they disagreed, it might go to the Civil Service Commission?—A. Yes, the inclusion of a member from the Civil Service Commission would obviate a deadlock.

By Mr. Ernst:

Q. I am more interested in the representative of the personnel. You are thinking, of course, of your own particular problems, as postal workers. When you make that suggestion, say a promotion was in view in the post office, a representative of the personnel of the post office would be perfectly simple. Let us take the problem further, in that connection. Would you have your representative of the personnel a permanent representative or a representative for a stated period of time, or, finally, for each promotion as it occurs?—A. Subject to the decision by the personnel, from time to time.

Q. How often?—A. Annually.

Q. To make annual representation?—A. Yes.

Q. Let us take a promotion in the department headquarters here at Ottawa: Let us say the customs branch of the department of National Revenue, would you say that everyone in the customs branch of the department of National Revenue should have a voice in the selection of that, from the Commissioner down?—A. Yes, that principle ought to apply.

Q. You would hold an annual election for that personnel representative. Let us go a step further and take a case which involves the district; would you have a poll taken from that district, once a year, to select its representative?—A. No, if a vacancy occurred in the office—

Q. Let us say a vacancy occurred in the superintendent's office and is to be filled, you would say everyone, down to the lowest employee in the postal district, would have a right to vote in the rating of the personnel?—A. No, I would confine it to the lower grades.

Q. You would confine it to the lower grades?—A. Yes. In the case of a promotion of that kind, they so rarely occur, the higher positions do not exist; the lower grades, to a certain extent.

Q. The representative of the personnel would represent the personnel of the whole of the district. I mean if he were selected for a year?—A. Yes.

Q. You say the whole?—A. Yes.

Q. The lower grade employees would control this election, as far as voting power. What qualification has the lower grade employee to select a postal superintendent?—A. His experience as a postal worker.

Q. It is quite possible they might select a letter carrier?—A. Yes.

Q. Do you think his qualifications as a letter carrier would give him any qualification to select a superintendent. I can understand the letter carriers all voting for one man and putting him in?—A. Even if they did that, they would not necessarily carry their choice.

Q. Have you any idea how many promotions would have to be dealt with in a year?—A. Oh, I suppose, in the Toronto district, perhaps ten in a year.

Q. You are thinking of the postal service alone?—A. That is all I am representing.

Q. You are not advocating it as a general principle for promotion?—A. I am speaking particularly for the postal service.

Q. You do not feel you should have any particular scheme that would apply to postal work which would not apply generally to other branches?—A. Not in regard to promotion.

Mr. LAURIN: Take for the whole of the Service, Mr. Bland, can you give us any idea as to how many promotions there would be in the last year?

Mr. BLAND: Nine hundred and sixty-two individual promotions.

Mr. LAURIN: Would you have a board for each promotion?

The WITNESS: It might mean a comparatively small number of boards, for which there would be ten promotions?

Mr. ERNST: It seems to me the last stage of your scheme would be worse than the first?

The WITNESS: I believe, if the Civil Service Commission itself were concerned in such a scheme, it would favour it. I can see the imperfections of the present system, but I think these would improve. It certainly would give more opportunity of thorough inquiry into any ratings that were made.

Q. I am taking the lower paid class of civil servant; they would undoubtedly select a representative; they would have the voting strength—let us take the letter carrier, it would hardly be thought that they would have the qualification to state who should be selected as superintendent?—A. Supposing there is fault to be found with the representation coming from the staff, the principle that is suggested on this representation regarding ratings of the boards, in our minds,

the system by which ratings could be thoroughly checked and the ratings given in regard to any candidate proven.

Q. Suppose you had a representative of the Civil Service Commission to see that candidates have their ratings explained, would not that be just as workable?—A. I believe it would, yes.

Q. Well, it would avoid these multitudinous selections?—A. I think we could overcome that difficulty right now.

By Mr. Laurin:

Q. If representatives have the necessary competence, do you not think the selection should be made between the superintendents first and have the final choice, if they do not agree, go to the deputy minister?—A. I think, in some instances, that is what happens now. Generally speaking, it does not.

By Mr. MacInnis:

Q. You believe the head man in each department is perfectly capable of selecting the best men in that department?—A. On his staff.

Q. But because of a different idea in rating, or in giving the percentage of efficiency, the two would not necessarily give the same percentage of qualification?—A. That is the point.

Q. In regard to the question Mr. Ernst raised in connection with his selection of a representative, these staffs would, generally speaking, elect the man thought best fitted for the position, regardless of whether he was the man best fitted for the Service. Is it not possible, Mr. Duncan, in the case of some of the gentlemen selected—is it not only possible but very probable—that they are selected because of their experience and because they can better represent them than persons who have not had experience?—A. I do not believe, generally speaking, the lower paid classes of the Service are so lacking in intelligence as to make bad choices.

Mr. ERNST: Do you not believe that democracies very often make bad choices?

Mr. CHEVRIER: There was a very good choice made in Montreal last night.

By Mr. Bowman:

Q. Mr. Duncan, Mr. Bland just stated there were 962 promotions in the postal department last year.

Mr. BLAND: Oh, no—in the entire Service.

Mr. ERNST: Is that an average number?

Mr. BLAND: I think perhaps a little low.

Mr. BOWMAN: As a matter of fact is it not considerably lower?

Mr. BLAND: Yes. In past years it has been running considerably more than that.

Q. About 50 per cent. more than that?

Mr. BLAND: In some years, yes.

By the Chairman:

Q. I notice, between the years 1925 and 1931, there were 62 promotions in Toronto?

By Mr. Bowman:

Q. Mr. Duncan, did you read the evidence by Mr. Phelan?—A. Just the newspaper reports of it.

Q. He recommended a court of appeal?—A. That is applying the remedy after the disease has ravaged the body.

By the Chairman:

Q. The appointment would be made and the man in the new position, but this fellow who felt he had been badly treated would have the right to go to the court of appeal.

Mr. LAURIN: I doubt whether he would go, being in the Civil Service.

By the Chairman:

Q. I am led to believe something similar to what you advocate now prevails in the Post Office department. I am led to believe there are monthly ratings made up of each employee and that these monthly ratings are kept on file in Ottawa and once a promotion is available the superintendent makes a rating. When these ratings for promotion come to Ottawa they are reviewed by the Superintendent of the Postal Service at Ottawa and if there is any discrepancy between the monthly rating and the rating for promotion made by the superintendent of the department, then the matter is checked up and considered and explanations asked from the official advocating the rating. Does not that pretty nearly meet your present suggestion, if that system prevails?—A. I believe the Civil Service Commission can check ratings handed in by any officer.

Q. Not the Civil Service Commission?—A. I am speaking solely of the departments. I understand in the department at Ottawa they have files of the Commission's rating taken monthly. I have a sample copy here. Then when a promotion comes along, the departmental official of the Post Office department who makes the rating sends the rating in to the department, and they are checked up here against the monthly rating. If there is a discrepancy between the monthly rating and the rating for promotion then it is checked up by an officer of the Post Office department before it is sent down to the Civil Service Commission.

By the Chairman:

Q. It is then possible the man making the rating would not have any better rating on the monthly rating than it would be on the one for promotion?—A. We believe we have a clerk who is never late and who takes 98 per cent. on his examination and those percentages, when they are included in the rating by the supervisor monthly, cannot be changed.

By Mr. Bowman:

Q. Your point is quite clear. The question is what is the remedy. Perhaps Mr. Duncan might go on, so far as the requirements of the Civil Service are concerned.

By the Chairman:

Q. Excuse me, Mr. Duncan. A moment ago, in speaking about rating—I was talking about the monthly rating report—I should have said annual. The next is: promotions or appointments?—A. Promotions.

Q. A railway mail clerk is eligible for promotion to a post office?—A. Yes, promotion to a head clerkship or assistant clerkship or assistant postmastership.

Q. Mr. Dennehy said for more efficient sorting of mail?—A. They are mail clerks working on the railway. They know better how to stack mail so as to conserve space.

By the Chairman:

Q. You think all they do is to add the knowledge of a postal clerk on a scheduled train?—A. That is all. Just as an instance, in Great Britain there is no railway mail clerk. The postal clerk, from time to time, is warned to go out and work the train.

Q. That involves a great efficiency in speed and everything of that kind?

By Mr. Ernst:

Q. Would you go so far as to say we adopt the British system and do away with the railway mail service, as such?—A. I think that is purely a matter for departmental consideration.

Q. Would you advocate the change?—A. No, not for the moment.

The CHAIRMAN: Do not forget, this witness has to go back to work.

Mr. ERNST: I thought he would say yes.

The WITNESS: In the final analysis the government endorses the proposal of the Civil Service Commission to forward any recommendation to the Civil Service Commission for increases of salary; the argument that has always been used is that there is a certain relativity between the different classes of civil servants, which admits of everybody being considered at the same time.

Q. And the Civil Service have ways for dealing with reclassification. The popular notion, as I gather it—I have been approached by people for years who desired to have their salaries increased—the popular idea is that the government can step in and raise salaries here and raise salaries there. It is really one compact scheme?—A. During the interview we had with the Prime Minister, in regard to the recent salary cut, it was intimated, by the Prime Minister, classes were to be paid in accordance with the work they were performing, as exactly with the postal service. For a number of years it has not been comparable with any other branch of the Service and for that reason should be altered.

Q. In other words, you think you are not being paid enough for your work? —A. That is the idea. As promotions in our Service are few and far between, it naturally follows that in most of such cases applicants will be numerous. The result will be that applications come from many different staffs, each of which staffs has a different supervisor, who will be called upon to furnish the rating for his subordinate. "A" is a supervisor on one staff who is to rate "B", an applicant. "A" goes on the assumption that no matter how good his candidate is he is not perfect, and in consequence rates him 95 per cent. "C" is a supervisor on another staff and is possessed of the generous belief that all his men are nearly perfect, and therefore rates his candidate "D" 98 per cent. An examination of the two candidates could quite possibly show that the difference in rating is not due to any great disparity in efficiency, yet it is there and will be a very potent factor in deciding the successful applicant. This illustration of varied viewpoint is multiplied by the number of applicants from different staffs.

As a possible means of obviating difficulties of this kind the United Postal Employees is in favour of rating boards which, it is believed, could be established with very little, if any, expense to the Government, and could comprise representation from the Civil Service Commission, the department concerned, and a representative of the personnel where the position is to be filled. Officers making ratings upon candidates could then be required to justify their ratings before such a board, and it is believed by such procedure the apparent differences in ratings, and all the underlying dissatisfaction relating thereto, could be systematically enquired into, and their real worth determined.

So far as recruitment to the Service is concerned, we believe that the merit system is the best, if it is allowed to operate without interference. Under the plan of examinations to determine entry, we are of the opinion that academic

tests, and enquiries as to honesty, are more capable of maintaining a high standard than any other system.

What is stated above regarding ratings is the outcome of an underlying belief in the minds of our members that notwithstanding the intention of the Civil Service Act, the merit system does not seem to be unimpeded. One case brought to our attention recently is in connection with the position of assistant postmaster in the post office at Quebec city. According to members of the staff concerned, the position was given to the successful candidate over the heads of more qualified employees who had also applied. I have several letters with me in connection with this which I am at liberty to read, if you wish me to do so. I may say in connection with this particular office, however, that employees there claim that it has been indicated to certain officials that they would get the next promotions even before it was definitely apparent that there were any vacancies. Under such circumstances it is difficult to understand how merit can apply.

Another definite complaint, in regard to promotions, comes from an Ontario post office from which a goodly number of railway mail clerks have their runs. The present postmaster of that office is a former railway mail clerk, and while for a moment we do not wish to present the view that railway mail clerks should not be promoted to positions of responsibility in inside post offices, it is significant that six of the last nine promotions in this particular office have been granted to mail clerks. The employees of the office where this has taken place believe that the ratings have been made, as they have, as an outcome of the relationship of the postmaster to the Railway Mail Service.

In the opinion of postal employees, the operation of the Civil Service Act, as it affects remuneration, has been a cause of dissatisfaction. It has been stated by those who administer the Act, and no doubt they are correct, that no increases in salaries may be granted to the employees of any Department without a similar undertaking is made to the employees of other Departments. In our past experience we have found that even though the opinions of our own departmental officials indicated that they were satisfied that postal salaries should be increased, nothing could be done to carry out such an opinion unless every Civil Service department were considered. This application of the Act seems to establish the position where one department which may be considered as deserving of higher pay shall continue to receive the admittedly low salary rate until such time as any government may feel in a position to increase the salaries of the whole Service and provide the expense. It is our belief that the Act should be made to provide for the possibility of any department being considered upon its merit. About nine years ago, when the postal service was attempting to obtain salary increases, the word "relativity" as applied between our department and others was continually used. The only relationship we can see between ourselves and other departments is that we are under the Act. So far as duties are concerned there is neither any department of government, nor is there any outside occupation with which we may reasonably be compared. For that reason we believe that an amendment to the Act, if it is necessary to amend it, in order to obtain direct consideration, would be welcomed by the postal employees.

In regard to superannuation as it affects promotion, it may be said that the practice of retaining in the service men who have completed the necessary years of service, or who have reached the superannuation age, is looked upon with disfavour. The avenues for promotion are choked all the way down the line, when supervisory employees who are eligible for superannuation are retained in the service and men who have given good service are deprived of advancement, and while this point may be foreign to the matter of your enquiry, it is a Civil Service condition which it will do no harm to mention, and in regard

to which, if you find it possible, we hope you will make some recommendation of a favourable kind.

During the past few years there has been a tendency towards the abolition of supervisory positions upon their becoming vacant. This plan is not approved, due to the fact that supervisory positions are few enough as it is. We submit that if this is being done in the interests of economy, such economy can be effected by filling the positions from the staffs, and abolishing the position at the bottom rung rather than at one of the higher ones. We also have viewed with disfavour a practice of advertising supervisory positions on manipulative staffs which have become vacant through death or retirement, and giving the position to some person whose duties were far removed from the staff where the vacancy occurred.

Q. What position do you refer to in the reference you have just made?—A. It became effective in a registration branch.

Q. As what?—A. As clerk, which was advertised.

Q. You think those positions should be limited to the manipulative staff?—A. No, they should not be limited to the manipulative staff but, when the position is filled, the man who is in the position should be placed on the staff where the vacancy occurred.

By Mr. Chevrier:

Q. I do not get you?—A. Suppose we have two staffs and two applicants.

By the Chairman:

Q. In the ordinary course, in the registration branch, for a principal clerk?—A. Yes.

Q. That position is advertised?—A. Yes. We find, when the position is filled, the man who has the position is in the carrier branch (Montreal Post Office) and he continues his duty, he holds down two jobs. Now, the position on the registration staff is not filled at all.

Q. We can put it that the position which the man in Montreal is holding and that of principal clerk are amalgamated and held by one man?—A. No, not quite that, Mr. Chairman. The position of the principal clerk becomes effective due to retirement or death of the supervisor of the registration branch.

Q. And that was held by a man?—A. Yes, and that position was advertised.

Q. Somebody holding another position in the Civil Service is appointed to that vacancy as principal clerk?—A. Yes, but he does not go to it.

Q. But he is appointed to it. He still holds the position in Montreal. Who does the work as principal clerk in the registration branch?—A. Some other officer, on whose shoulders the responsibility is placed, without the classification.

By Mr. Ernst:

Q. In other words, in one branch of the post office there may be concentrated all the higher positions?—A. Sure. Then follows a few resolutions from our convention held in Montreal, that vacancies should be filled from the date of their occurrence.

Q. We have had that statement before?—A. The next is that offices with a revenue of $5,000 or over be staffed from city offices, under the jurisdiction of the Civil Service Commission.

Q. Let us say a vacancy occurs in Ottawa. I do not know whether it is a city office?—A. It is a city office now.

Q. Let us say it occurs in Paris, that it should be staffed from Brantford or Toronto or one of the other city offices?—A. The real intention of the resolution, as it was passed in our convention, is that revenue offices of $5,000 or over, should be brought under the jurisdiction of the Civil Service Commission.

Q. What do you think the reaction of the people in Paris would be if they brought down a man from Toronto to fill the position?—A. I do not think the reaction of the people concerned would be so much as the reaction of the people in the Service.

If this practice continues we shall have a serious dearth of higher positions upon the manipulative staffs, while there will be an unreasonable number of higher grade officers attached to Departments where clerical duties of the writing and filing kind occupy the time. Positions which are originally classified as belonging to manipulative staffs should, in our opinion, remain there.

The following are the resolutions passed at our convention in Montreal last September relating to the Civil Service Act:—

> That vacancies be filled permanently from the date of their occurrence.
>
> That all offices with revenue of $5,000 or over be staffed from city offices under the jurisdiction of the Civil Service Commission, appointees to be classed according to revenue of office on basis of present classification.
>
> That the postal helper classification be definitely abolished and those helpers actually fulfilling the positions of carrier, porter, clerk be given the classification covering the duties they are performing retroactive to the date of the abolition of the position last year.
>
> That when promotions to senior clerkships or a higher rank occurs in the office of the district superintendent that postal clerks in city offices be given the privilege of applying for same.
>
> The postal helper's class to be abolished.

At present it does not appear they are giving any opportunity to the candidate for these fields.

By Mr. Ernst:

Q. Why limit it to city offices?—A. The terminology "city offices" used for a purpose.

By the Chairman:

Q. Would you go back now a moment? You outlined two instances of complaint and gave some detail of it. I did not just follow them all. Would you repeat these for me, please.

By Mr. Bowman:

Q. To summarize your remarks, to a certain extent, I understand you endorse the merit system, but you doubt whether it is very much in force?—A. That is our view.

By Mr. Ernst:

Q. Does that view pertain to appointments as well as promotions?—A. In some instances. Take the part-time staffs in the large offices.

Q. They are, of course, only temporary employees?—A. Yes, but they are appointed by authority of the Civil Service Commission.

Q. Let us take the permanent employees. Do you think that system is in effect, where the permanents are concerned?—A. Yes, I think it is. We have no evidence to the contrary.

By the Chairman:

Q. These temporary employees subsequently become permanent?—A. They would, in the ordinary course of events.

Q. So if there is objection and complaint as to the appointment of these temporary employees, then that temporary ultimately finds himself in the permanent service?—A. Yes.

Q. And one of the methods of getting into the permanent service under the merit system is to get a temporary appointment and then the path is not so rugged to ascend to a permanent position?—A. During the last four or five years it has been necessary, at times, to employ part-time men during the night. When that system was first put into operation it resulted in young men, university students, being employed. During the last year or two, for some reason that we cannot explain, those employees had been confined to that certain class—university students. There are young married men, who have family responsibilities to perform, and, for some reason or other the Department has employed only these university students for part-time in the post office. They work, simply for the sake of obtaining pocket money. In a general way it could not be said that the number of students that were employed in the Toronto office—

By Mr. Laurin:

Q. I think 80 per cent. are working to get money to pay their university fees?—A. Quite a number of those young fellows drive down to the office in cars at night.

Q. You are objecting to engaging university students but you are not objecting to university students in favour of all others?—A. No.

By the Chairman:

Q. These university students would never work into the permanent service? —A. That is not their objective, no.

Q. I thought you were going to give me some instances of men who were working on the permanent staffs and could not find themselves a position. That does not occur at the present time?—A. No.

Q. If they come into the staff eventually it would be on the competitive basis?—A. You asked me to give you a specific case. I have a letter from Quebec city, addressed to our President in Halifax, the President of our organization—F. L. Goodwin, of Halifax. It says, in one instance a vacancy occurred on the floor of the office. The position was filled by a member of the postmaster's office staff. That is one of the postmaster's selections in the administrative end of the post office in Quebec, although this same clerk was not capable of passing successfully the necessary sortation tests. He was employed over the heads of more experienced men. He has since been railroaded over the heads of other postal clerks, after failing three times to pass the necessary examination.

Q. Are you complaining that a man from the administrative staff was put on the floor of the post office?—A. No, but we are complaining that the man who was promoted to this position was not equally qualified with men who had been working on the manipulative staffs.

By Mr. Laurin:

Q. This happened where?—A. In Quebec city.

Q. When did it happen?—A. In 1931. I made inquiries over at the Commission in regard to the case and I also inquired at the Post Office department. It appears there was some doubt in the minds of the Civil Service Commission in regard to the promotion and they wrote back to the department for further inquiry.

Mr. BLAND: If I could get the case I would be glad to put it before the Committee.

By the Chairman:

Q. Will you give the name of the case to Mr. Bland and he will see that we get the file?

By Mr. Bowman:

Q. You say a man gets a promotion and yet he does not perform the duty of the office to which he is supposedly promoted. Would you explain that?—A. In the post office, in different departments, there are men handling different kinds of work. The registration department will handle the registration.

Q. I understand that. Say we have a registration clerk; there is a vacancy; there is a promotion to that position. Would you say somebody is promoted to that position who does not do the work?—A. Yes.

Q. Who does?—A. One of the other officers in that department.

Q. In other words, somebody who does not do the work gets the promotion and the increase of salary?—A. Yes.

Q. There is certainly something wrong about that. What is the idea of giving the promotion?—A. The explanation we have offered to us is that the position has been transferred to another branch.

Q. The position has been transferred?—A. Yes.

Q. We would like an explanation later on from the Organization Branch of the Commission as to how these things occur.

By Mr. Laurin:

Q. You mentioned a special case in the registration branch, just for illustration. Instead of giving the grade for this department it has been given to another one; but the person who died or leaves the branch, is he replaced by another one? Supposing there are nine persons in this branch, the person who is replaced there, is he or she replaced by another one in this branch, or are there only so many left in the branch?—A. Only eight left, as far as I know.

Q. They do not replace them?—A. No.

Q. They just give the grade to another branch?—A. Yes.

By Mr. Bowman:

Q. As near as I can see, it is giving the increased salary to someone who does not perform the duties and leaving the duties which were performed by that person to be performed by the rest of the staff. That is correct, is it not?

By Mr. Laurin:

Q. And this grade is given by the Civil Service Commission?—A. Yes.

Mr. BLAND: In order that I might place the facts before the Committee, will you, Mr. Duncan, give me an explanation of the case.

By the Chairman:

Q. Can you name any one case where this has happened?—A. The principal clerkship in the registration branch, of Terminal "A," Toronto.

By Mr. Ernst:

Q. How long have you occupied your present position as national secretary, Mr. Duncan?—A. Seven years; six years as secretary, one year I was president.

Q. One thing, Mr. Duncan, is peculiar: The civil servants come and ask for increased efficiency in the service. They point out the defects in the system. I think, to date, we have had about seven civil servants' associations appear. Their recommendations have been almost uniform, which, I would think, shows collaboration at some stage, either collaboration or imitation, which would seem to be a coincidence. I do not know how many more we are going to hear. There are a number we have not heard yet. Each one, I suppose, engages a national secretary?—A. Do you not think a condition of that kind instances the truth of what they all say?

Q. It looks like inefficiency on their part to come and advocate inefficiency on the part of somebody else.

By Mr. Laurin:

Q. Are you supposed to do anything else but that work in connection with your duties? You have an annual salary—A. It is quite a common experience. I think it is pretty general throughout the world among workers just now, among people who work for a living.

Q. Your members consider it a good expenditure?—A. I think so. I think they consider it a good investment. It is just the same sort of thing as parliamentary representation. There is only the difference of degree.

By the Chairman:

Q. I have had some allegations made to me from time to time of abuses, people holding positions in the post office in Montreal, also holding other positions at the same time. This I am told exists in the Post Office department. Have you any knowledge of that situation?—A. Well, Mr. Chairman, I have not any direct knowledge, but I have heard statements so many times to that effect, that I must believe it.

Q. You are in the same position I am. All you hear is what somebody else told you?—A. Yes.

Q. Could you give me the name of any person, or persons, who might have direct or first-hand knowledge of that situation, if it prevails—anybody connected with your organization who has first-hand knowledge of it?—A. You mean in the service in Montreal?

Q. I do not care where they are working, in the service or out of it, as long as they give us direct evidence of it?—A. Mr. Paquette.

Q. Is he in the service?—A. He is the fourth vice-president of our organization in Montreal.

Q. Where is he? In the Montreal post office?—A. Yes.

Mr. Chevrier: If we investigate there we will have to investigate every other post office. If that system exists, an investigation might show a prevalence of that throughout the service, not only in the Montreal Post Office.

Mr. Ernst: An isolated case proves nothing.

The Chairman: As I stated some time ago, the Committee are authorized to call before the Committee anyone the members of the Committee wish to be called. I do not think there will be any limit to any matter which the Committee thinks of sufficient importance to be brought to its attention.

Mr. Chevrier: Quite so. I do not know what this would show, but I submit, Mr. Chairman, it would not be fair to have, say, the Post Office at Halifax investigated and not the Post Office at Vancouver. It might be shown, in one case, there was something wrong and that would not prove the whole service was wrong. I have no objection to the whole of the service being investigated—if anybody makes a claim or makes a charge. In other words, just as Mr. Ernst says, an isolated case does not prove anything.

The Witness: Was not there an investigation conducted by the Civil Service Commission in Montreal in regard to malpractice in examinations just a little while ago?

Mr. Ernst: That was conducted by the courts.

The Witness: I think it was instituted by the Commission. There is a case of one individual office being investigated.

The Chairman: Are there any other questions to put to Mr. Duncan, gentlemen. Thank you Mr. Duncan.

[Mr. W. N. Duncan.]

JOHN J. REAVES, called and sworn.

By the Chairman:

Q. You are secretary in Toronto of the Federated Association of Letter Carriers of Canada?—A. Yes.

Q. May I take it, Mr. Reaves, that the membership in your organization is limited to actual letter carriers?—A. Letter carriers and such postal helpers who are doing letter carrier's duty.

Q. What is the membership of your organization?—A. It is between 1,400 and 1,500.

By Mr. Chevrier:

Q. Representing any particular section, or throughout Canada?—A. In 43 staffs in Canada. We have branches in Charlottetown, Prince Edward Island, and running out to Victoria, B.C.

Q. Are you still a civil servant?—A. I am in a similar position to other witnesses—as a letter carrier on leave.

Q. Devoting your time exclusively to the affairs of this organization?—A. Yes.

By Mr. Ernst:

Q. I do wish the unemployed organization would keep a man here for the purpose of looking after their interests?—A. The organization is merely exercising a function.

Q. I wish many people who have elected representatives here, could maintain paid representatives purely for the purpose of looking after their individual interests, it would make our duties so much less?

By the Chairman:

Q. Would you be good enough, wherever your representations agree with those made by Mr. Duncan, instead of reading some memorandum, would you just shorten it for us by saying you endorse his statement in that regard and bring before us anything additional you would like to add?—A. What I have is not very much. The Federated Association of Letter Carriers desires to thank the Committee for this opportunity of presenting our views on the workings of the Civil Service Commission and Civil Service Act.

May I be permitted to remind the Committee that the Federated Association of Letter Carriers is the pioneer association in the post office, having been organized in 1891. There is no desire on our part to show any animus towards the Civil Service Commission or the Civil Service Act. We believe in the principle, but we must also judge it by our experiences before and after the passing of the Act. We have been bitterly disappointed with the workings of the Act. Prior to coming under the Civil Service Act the letter carriers were paid on a par with policemen and firemen of our cities. From 1908-1912 the maximum salaries in the City of Toronto were: policemen, $900; firemen, $800; letter carriers, $860. To-day the policemen and firemen of Toronto are in receipt of salaries of $2,100, while the maximum salary for letter carriers is only $1,500.

These figures speak for themselves and are positive proof that under the Civil Service Commission the letter carrier has not made the progress in securing adequate remuneration as he did prior to being placed under the Act. The main cause for this, in our opinion, has been before the classification of 1919, which did not take into consideration the exacting and responsible duties of the letter carrier. After being placed under the Act every effort to secure higher remuneration has been met with the answer that the Commission would have to take into consideration its relationship to the whole Service.

In 1928-1929, the government and the opposition were willing to increase our salaries, and Mr. Heaps, speaking in the House of Commons, called attention to the fact that Government was willing, the Opposition was willing, and speaking as an Independent, he was also willing, and yet, by virtue of the refusal of the Civil Service Commission, nothing could be done.

We contend that when a government, supported by all political parties, is willing to increase salaries, that a third body—its creature—should not have the power to prevent such action being taken. Imagine what would happen in industry if an employer was willing to grant an increase of pay and some third party was able to intervene and prevent it. Yet such is possible under present conditions.

By Mr. Ernst:

Q. I think an Act of Parliament might cure that?—A. It puts you in this kind of position. You are putting up your case, and you go to the Minister and he says, "I am agreeable. In fact I have put forward my recommendations and I think you should receive it."

Q. "Passing the buck"?—A. Exactly, and we want to get away from that thing if possible.

We are informed that if the Commission were to submit a salary schedule too high, that the Government could refuse to accept it, but that the Government have no power to make them amend it; and if the Commission refuse to submit a schedule, there is no power under the Act to compel the Commission to increase salaries.

We contend that it is in the best interests of the Service to settle such questions with the least possible delay.

With regard to promotions which are supposed to be by merit, we are not satisfied that the principle involved is being carried out, although it is difficult to prove the contrary. I am referring particularly to promotions to the positions of senior letter carriers, overseer and supervisor. The practice followed is that a vacancy is advertised by the Commission and applications received. Rating papers are sent to the postmaster and two of his subordinates do the rating and return the papers to the Commission, who issue the certificate based on those ratings. The result being that any applicant, no matter how conscientious he may be, if he is not favourably regarded by those performing the rating, will never get promotion.

These in the main are our views in regard to the present Act. I think promotions have been fairly well covered.

By Mr. MacInnis:

Q. Do you not think possibly the question was settled?—A. It was settled, without an increase in salary; knowing that you have a grievance and it is recognized, the quicker you get it settled the better. We say we would do it if we could, but the machinery is not such that we can do it. There is another feature in regard to this: I believe Mr. Bland stated to this Committee something to the effect that the letter carrier's duties created the impression he had just to walk into the office, pick up his mail and deliver it.

Q. You did not get the proper interpretation of the fact?—A. I am sorry that that was the impression that was conveyed to me.

By Mr. Ernst:

Q. I think Mr. Bland allowed that the letter carrier was a man of fairly high intelligence, for a man required to pass an examination on that classification, and that his classification was too high, but he agreed with me too

that they should not require that classification for a letter carrier?—A. Take, for instance, the letter carrier; he must have a knowledge of his ground; he must give satisfactory service and he has to face the elements outside and perform different arduous duties. We find a lot of our men who, after a service of around fifteen or twenty years, are not as young as they used to be, they are not as vigorous as they used to be; they find it difficult to stand up under the pressure, and promotion is very difficult. They had been at school for a certain length of time, and the work they are doing, while it is essential to the post office, places them in a difficult position. We have some of them who went inside; they could not carry on inside. They could have carried on better physically outside in comparison. They are in a position where they have to make good as a letter carrier or go out. I am of opinion they have to put in as much physical work as somebody else would in a longer period of time.

We believe that when a government is willing to increase the salaries of its employees, that no Commission should have the power to prevent them. We also think that too much power is given local officials with regard to promotion, and we hope that as the result of our representations, something may be done to improve the Act.

By Mr. Bowman:

Q. I think we are pretty familiar with that. If you have any general recommendations you would like to make, I think we would be glad to hear them. I do not want to shut off your representations but you appreciate we have quite a lot of work to do and we have to do it in a short time. If you have any general representations you would care to make to the Committee, naturally we would like to hear them?—A. We look at it in this way, when conditions get better, and we come to the question of salary, we would like to be put in a different position from this "passing of the buck."

By Mr. Chevrier:

Q. I am impressed with the point but, as Mr. Bowman says, I think we know, Mr. Reaves, about that. Outside of those points that you have mentioned have you anything else to suggest to the Committee? —A. No. We have the same feeling in regard to promotion. The point I would like to make in regard to that, when a promotion is made it should be out of the hands of the Civil Service Commission. We had a man in the city of Toronto. The rating papers came to the postmaster and this man got promotion in the part-time service,. We knew his record. That man had been late many times. He was taken down to a sub-station because of his lateness reporting for duty. His supervisor warned him for that kind of thing. He is appointed a senior letter carrier in charge of the station. I put in a complaint at the time because I thought a man who had been late as often as this man—

Q. You put in a complaint to whom?—A. To the Civil Service Commission. They replied that they had issued certificate after recommendation made by the department and once the certificate was issued they had no further part in the matter at all. He had got the position. We could not do anything. We did not even know he had made his application.

Q. So far as I can see this man was recommended through the ordinary channels of the post office and then it came to the Commission and the Commission issued a certificate and he went into the position. You protested to the Civil Service Commission?—A. Yes.

Q. What happened next?—A. The Civil Service Commission informed me that they had issued the certificate on the ratings furnished by the department and were sending my letter to the department. I never heard anything more.

Q. This man was demoted?—A. He has been demoted since. He could not fill the position satisfactorily.

Q. You did not make any further representations?—A. He was demoted because of his own inefficiency. It has been conclusively proved.

By the Chairman:

Q. Is the pith of your complaint that those certificates of the Civil Service Commission being issued are not recommendations of the Civil Service Commission; or, in other words, they are rubber stamped?—A. Yes.

Q. What you want is some remedial legislation whereby that situation will be rectified and the department will not be the whole show?—A. Some of us may be unfortunate or fortunate to get into this kind of work, because we have got there. I know, for a fact, if you are active in the interests of an organization, you need not look for any promotion, no matter how efficient you may be.

By Mr. Chevrier:

Q. Do you mean there is hostility towards the members of your organization?—A. Towards members who take an active part in it.

Q. Towards members of your organization?—A. That is apparent, I would say.

Q. Did the department at any time indicate that they had taken objection to it?—A. We have no difficulty, as far as that goes but just the same an overseer will go to a carrier who possibly has done a little kicking about the conditions and tell him if he wants to get on he better not be in the organization.

By the Chairman:

Q. Do you find that attitude in all of the cities or only in some of the cities? —A. Only in some of the cities.

Q. In what cities?—A. I have noticed it particularly in the city of Toronto, because I have been an active officer there.

By Mr. Bowman:

Q. A matter of personality?—A. It is a matter of personality.

By Mr. Laurin:

Q. Has it lasted a long time in Toronto?—A. The man we have there is the hardest man in the world to deal with. He thinks he is something next to the Postmaster General.

Q. You are giving a personal experience of Toronto. You know a superintendent who takes this attitude. You want to make a representation of some little internal working in connection with the organization after he will tell you "Are you trying to tell me how to run my office?"

Q. All you are doing is being the mouthpiece for your organization in regard to some grievance, and he thinks you are trying to tell him how to run his position?—A. Yes.

Mr. MacInnis: I do not suppose it is suggested we could remedy that by legislation.

Witness retires.

The Chairman: There is still the Professional Institute to be heard. I do not think they have their representative here now. Dr. Tory, too, can come this afternoon.

Mr. Bowman: Is there nobody to be heard now?

The CHAIRMAN: I believe there is nobody here from the Professional Institute. We can take Dr. Tory this afternoon and the Professional Institute after him.

The Committee adjourned at 12.45 p.m. until 3.30 p.m. this afternoon.

AFTERNOON SESSION

The Committee resumed at 3.30 p.m.

Dr. H. M. TORY, called and sworn.

By the Chairman:

Q. What is your official position, Doctor?—A. President, National Research Council.

Q. Dr. Tory, you gave the Committee a memorandum some time ago, as a result of which the members of the Committee asked that you personally appear before them. Is there anything you wish to add to what was contained in your written memorandum?—A. I would like to make a general statement about the Council's organization. May I be permitted to stand, as I can be heard better.

Q. If you prefer?—A. I would like at first just to call the attention of the Committee to the way the Council was organized and some reasons for its organization that would explain the significance of my previous memorandum. The Council was organized first under an Order in Council, in 1916, and under an Act of Parliament, in 1917. At the very beginning it was recognized that the Council's work would be of a very special character; that is to say, it was not called into existence to serve the department as such but rather to serve any research for the various departments of the Government. It was not, therefore, put under a departmental committee—under a departmental head, in the ordinary sense of the word—but under a committee of the Privy Council. In bringing the organization into being, it was intended from the very beginning that it should have a certain degree of freedom of action. It was not until 1924 that the present Research Council Act was passed. After six or seven years' experience in the working of the Council, this Act, a copy of which I hold in my hand, was passed, embodying what was believed to be the result of years of experience during which it was in operation. It was intended from the beginning to have a certain amount of freedom as part of the ordinary routine of the organization.

My business was to get together a set of young men, in whom I had confidence, with whom I could carry on, and their business was to carry on operations. I was the liason officer between them and the Government and Parliament. In no way did I, as the liason officer, attempt to influence the line of work executed by that Council. In a certain sense the Council was put in a position somewhat similar to the position of the state university in one of our provinces; that is to say, it was given an independent board. On that board was thrown the responsibility of selecting a staff and spending the money voted for them. The only qualification consisted, in one sense, in seeing that the Council must undertake any work asked of them by the Government of Canada; and clause 7 of the Act created the body as an internal departmental organization of the Government, having the power to acquire money, securities, real estate or property by gift, grant, bequest, donation or otherwise. In other words, it was assumed private funds would come into the Council's hands in addition to the appropriations by Parliament, such as the position the universities are in, and the staff would have to be a special body of men.

[Dr. H. M. Tory.]

By Mr. Ernst:

Q. That hope has not been realized to any extent?—A. Yes, it has. Already we have received—I can quote the total only from memory, but I say something like $75,000 have come to us, about that amount. One company gave us $50,000 to carry on a special phase of research.

By Mr. Laurin:

Q. An American company?—A. No, a Canadian company. We have been looking for Canadian money.

By Mr. Ernst:

Q. Research is not national in its scope?—A. No. When the question was being discussed as to how appointments to the Council should be made, the Act provides definitely—I will read the Act:—

> With the approval of the Committee, to appoint such scientific, technical and other officers as shall be nominated by the President, and to fix the tenure of such appointments, to prescribe the several duties of such officers, and, subject to the approval of the Governor in Council, to fix their remuneration.

That clause practically puts the appointments up to the Research Council. Most university appointments are at present similarly made. All the provinces have authority such as set out in that section.

These men are of a very special character, selected from a small group of men, and they must be selected, having regard to their very special duties. The way that is applied, the men start with advantages of such a character that they have to be sought after. They do not answer advertisements.

By the Chairman:

Q. Just what is the nature of the work undertaken by the National Research Council and its staff?—A. Would you want me to answer that by taking specific cases?

Q. No, just give a general description of it, so we will have something on record.—A. There is a certain description of our powers in the Act—and I take that as an illustration.

To Promote the Utilization of the Natural Resources of Canada

> Researches with the object of improving the technical processes and methods used in the industries of Canada, and of discovering processes and methods which may promote the expansion of existing or the development of new industries;
>
> Researches with the view of utilizing the waste products of said industries;
>
> The investigation and determination of standards and methods of measurements, including length, volume, weight, mass, capacity, time, heat, light, electricity, magnetism and other forms of energy; and the determination of physical constants and the funamental properties of matter;
>
> The standardization and certification of the scientific and technical apparatus and instruments for the government service and for use in the industries of Canada; and the determination of the standards of quality of the materials used in the construction of public works and of supplies used in the various branches of the government service.

That last clause gives to our Council the right to establish a bureau of standards for the commercial interests of the country, corresponding to the physical laboratories in Great Britain.

The investigation and standardization, at the request of any of the industries of Canada, of the materials which are or may be used in, or of the products of, the industries making such a request;

Researches, the object of which is to improve conditions in Agriculture;

So, if one can define it by law, that is defined. In its application we have had opportunity to use almost every investigation required in trying to find out something new about material that is to be used.

By Mr. Ernst:

Q. Not only relating to government industries but the problems relating to wheat in the west, problems to improve agriculture. You cover almost every phase of Canadian industry?—A. Any phase of investigation we are asked by the Government to do.

By the Chairman:

Q. I understand you said men were sought after?—A. These men had to be sought after. One was a most distinguished chemist. I had to persuade him to accept a position with us. He accepted a smaller income than he was receiving, but I persuaded him to come to us, after having gone over the whole of the ground. The same thing applies to our department of Engineering. Such men have to be sought after; they are not watching advertisements. In order to do that, from long experience in the university situation, we have always been looking for men to fill important positions. We have on our committees 512 people, in our Research Councils, representing the leading university men in the country, who serve on the committees, helping us in planning and organization. In addition to that we have a system of scholarships in Canada, the purpose of which is to collect the cream of the men coming forward. I hold in my hand a document showing Fellowships for 1931. In that we have a complete record of 275 men that we have put through training, and I watched their careers from the time they applied for scholarships. Some of them have gone to the universities of Canada; some have gone abroad and studied, and we are looking to this group of highly trained men as a source from which to collect the choicest men to bring into our service. In some instances it has been our habit to say to a man, "That is the line of research work you ought to follow." We have had to go abroad. Where we found Canadians abroad we tried to bring them back to our service in Canada. We are trying to select a very special grade of men, men who have learned the roots of science, have qualified themesleves to take up special work. It is true we do a little advertising. I hold in my hand two leading scientific journals; one published in the United States by the American Academy of Science, the other, "Nature," published in England, and every man who has any pretence to be a scientist reads these two papers. We have always put into those papers the fact that openings were occurring. We get information from abroad about men that might be studying. Then, in addition to that we have never appointed men on our staff who had not already done research work, already published works that we can take hold of and study for ourselves, to see what kind of work they can produce. That is almost fundamental. In the seven grades of men we have that would apply with almost absolute certainty to any of the top grades. No man who had not done such work would be permitted to be appointed on the Council at all.

With regard to appointments, this is the way we go about it. When a list of men is brought in for consideration the names of the men are handed over for study to the Director of the Department.

May I just call your attention here to the fact that the nomination lies with the President of the Council. They are brought under observation; publications of these men are handed to these men for study; the publications are gone over; perhaps, at the lowest, seven or eight are chosen for selection and the rest are wiped from the slate. They are brought to my notice again in the review of the circumstances, and, if necessary, I write to these men to find out what they have to say further, if I have any doubt about the credentials. After that committees appointed have jurisdiction to bring the whole thing under review before the reports are finally sent up. I realized the responsibility was very great. There are three others besides myself who look after it. We had a leading physicist consulting with us before we ventured to put them before the Council; then I nominate the names to the Council.

By Mr. Ernst:

Q. You are a Research Council in a direct sense?—A. I nominate them to the Research Council and then they go to the chairman of the committee of the Privy Council for his approval.

May I be permitted to say this, that no political patronage has ever entered into the appointment of the technical men on the Research Council. My previous main task had been to select men to fill important university posts. I can say with a clear conscience that in twenty-five years I have never made an appointment, giving political consideration in any sense whatever.

By Mr. Ernst:

Q. Has political pressure been used at all?—A. In twenty-five years—twice only in the twenty-five, has pressure been brought upon me to make appointments, but both times it happened the appointment could not be made because the men were not suitable and they were not named. I served under former governments, Liberal and Tory governments, and I will say that for them all, that those appointments could not be put through.

Q. I think it is very acceptable?—A. The question of political influence has been raised at different times and it has been murmured political influence has been exercised. It has never been exercised. Our staff, in addition to being a research staff, is also in itself a training school for industry. I will give you an illustration. I know this will grow at an enormous pace. We were carrying on a piece of work for a certain industry. When the time came that that could be taken out of the laboratory and put to application, the firm came to us and said, "We want the man who is in charge of this work." They took him out and paid him 50 per cent. more than we were paying him and he is at the head of that industry. I would say he was the only qualified man in Canada to do that work.

By Mr. Bowman:

Q. What about replacing him, Doctor?—A. That is a test we have to face. Before we take a man we might have to send him out to study a year in a certain place. The industries send us men—we will have a certain problem—and they pay their salaries. That is in addition to the $75,000 I spoke of. We want to encourage that as well, if industry has a man and want him to work out problems, we will let him have his training under our direction. After he has had his technical training he can get his industrial training in our laboratories. We bring all the help to bear upon him that it is possible for us to do. You might be interested if I take just one

or two cases of the sort of men we have had to find. I have in hand the credentials of the head of our chemical department. He had a national scholarship on the Board of Great Britain, from 1903 to 1906; in 1906, he was supervisor of chemistry in the Royal College, London; 1907, President of the Institute of Chemistry; 1908, Associate, Chemistry Association; 1928, awarded the medal of the rubber industry in Great Britain. He has fellowships in seven scientific societies. In addition to that he is the author of over 60 publications in various fields of organic chemistry. It was in those fields he was given the Caldwell gold medal for chemistry research in Great Britain. That is the type of man that has to be coaxed to come into our service. Having found out the kind of man he was, we made an effort to get him. I will take the Chief of our division of physics and engineering. This gentleman is a graduate of McGill university. He has had a long professional experience; he served during the war in scientific research under the British government; he perhaps had more experience in solving the submarine problem than any other man. I have a list of 37 papers and books he has published, many of these being of the greatest theoretical value and some of them of great practical value.

Those two men are the men who have been placed at the head of those two divisions.

By the Chairman:

Q. Do you mind telling me what salaries are paid to those two gentlemen, respectively?—A. Their salaries begin at $6,500 and end at $8,000. They range from $6,500 to $8,000.

Mr. BOWMAN: You are very fortunate, Doctor, in getting men of that calibre for salaries like that.

The CHAIRMAN: I do not see how they do it.

The WITNESS: When I come to the question of salaries I will say something further. We made a proposal to the government that a scale of salaries should be fixed which would draw the best men out of the institutes, at least their intellectual equivalents out of the research institutes. I know that industrial research men are paid $25,000 a year.

By the Chairman:

Q. I should think you would have a little chance of drawing from industry? —A. We realize that we could not compete with a big organization, but we can go to an industrial school and say to a good man, "We will give you a $1,000 more than you are getting now." He would rather have an increase, $1,000 extra, and give up consulting work.

Q. Have a lot of research work ahead of him?—A. Yes; he would prefer to go into research work. When the Privy Council consulted as to the averages of salaries they had some doubt about them and they went over to the Beatty Commission. The Beatty Commission went into that in detail and they saw at once we were looking for special men, and I think, it is not divulging any secret to say we were told, "If you can get men for that salary you are not paying them too much" and a scale of salary was given to them. One man was receiving, through his university, a salary more than I paid him, but he preferred to come into research work, and I do not think we ought to penalize too much men who do that sort of thing.

In our work there is very little routine character; I suppose not more than 5 per cent. of the work being done in our laboratories should be called routine, that is testing, whether it is true or not. Nearly every bit of it is something new, finding out something new. We are making a special study at the moment of the waste weed seeds that come down to Fort William with the summer's crop. I understand there are 50,000 tons of these seeds, that have no value. We have

gone so far as to study the extraction of oil from them and we hope a new industry may grow so we are making a study of these weed seeds. The only way is to try, and we are trying by every process now to see to what use these things can be put. That is an illustration of what is going on in our laboratories. Another thing is the research going on with maple sugar. You know the process of maple sugar getting so hard, it is difficult to use it, after six months, without a hammer. We have gone so far as to get maple sugar that is friable. It is now being passed out to sugar manufacturers in Canada. We are trying to get a patent in the United States to cover the possible use of it in the United States. Those are two illustrations of the work that is going on. I cannot over-emphasize that all our work is not routine. We want to do new work, and our men are employed for the purpose of doing new work, and I am not anxious they should get routine work to do. On the question of salaries, I think we put in a salary scale in that letter.

The CHAIRMAN: Yes, we have it on record.

The WITNESS: Did I put in the Beatty Commission document approving the salary lists? The salaries that might be regarded as large salaries represent a very small number of our people. Unless we have the type of men for that work we might as well close our doors. A man must be a Doctor of Science of from ten to fifteen years' standing.

By Mr. Bowman:

Q. Your service would be absolutely no use unless you had the very best men?—A. Every dollar spent would be absolutely wasted, under any other circumstances. Unless we can get these men there is no place for us at all.

The CHAIRMAN: I do not think you need to emphasize that to the Committee, Doctor.

The WITNESS: The question of the size of salaries paid us—I am sorry to have to refer to this. I have made this chart. It was prepared some time ago by the Professional Institute of Canada, setting out the salaries that were being paid in the various departments of the government to the various grades. It now shows the salaries paid us. A statement was made the other day that our salaries were probably 25 to 50 per cent. more than paid to any other branch. Anybody who makes that statement does not know what our salaries are. I have put them on this chart but I would like the privilege of taking it away because I had to mark it in lead pencil. This is intended to show the salaries of the various grades, the range of salaries of the various grades in the Civil Service. This was the range of salary, to the lowest grade. In this particular case we represented ours on the chart, from there to there (indicating). We have two grades of men that are junior service men. We take in juniors—they have to prove themselves and we have to try them out. We have a reason for doing it, first getting men in our laboratories, in addition to testing them out in the universities. These men are paid lower salaries than in the other grades. The average salaries were higher than ours. We have tried to put the salaries on the top grade.

By Mr. Ernst:

Q. That would cover the comparison to the deputy heads of the department now, if you could make a comparison?—A. There is no one could make a comparison except the deputy heads.

By Mr. Bowman:

Q. And the deputy heads would be getting much higher salaries?—A. Yes, much higher. I am sorry to have to refer to that but I thought it was hardly just to have that statement go uncontradicted. It has been repeated in the city here that our salaries were so much higher. That is not so.

The CHAIRMAN: The statement that was made was really very indefinite. It was made by Dr. MacTavish, one of the Commissioners. He said he would be quite safe in saying: "because I have discussed the matter with Dr. Tory when he was selecting his staff; I think his staff is paid probably 25 to 50 per cent. higher than any similar positions in the service." It was very indefinite.

The WITNESS: Broadly speaking, there are no positions in the Service comparing to the service of our higher grades. After we have located men of a similar standing, wherever there are men of that quality, they are being paid equivalent to what ours are being paid.

I would say the confusion has arisen from the use of terms. When you say a director, he may be a director of a great railway company or he may be a director of a boot and shoe store. You have to discriminate between what work men do. I think there has been discrimination in the use of the terms. We have a considerable staff of the type that will make equipment; usually research necessitates the designing of equipment to carry it on, and if it is electrical research you must get a good deal of equipment to carry it on. We have quite a little staff working on that. Our method of doing that is this, and here again I am perhaps answering a question no one wants to ask. We advertise and find out where men are who have peculiar qualifications, say an instrument maker, and we might get 25 or 30 men in a year. We take the men individually into the shop. We put them to work under a foreman, with the instruments they have to use, to see if they know how to use them. No man is put on that work until he is tried out in the workshop to see if he can do the work we want done. It is not hard now to do that class of work. Two years ago it was exceedingly difficult. As a matter of fact our salary scale would not bring the best men to us. Last year we took men from the Department of Interior laboratories. In the first place the salaries the men were getting there were higher than ours. These men have come to us and they are dissatisfied with the fact that men in no superior grade to them are being paid higher salaries. We are not going to extremes in making claim for salaries. Perhaps I might mention one other thing: We have now on our staff 47 professional men, that we call professional men, and we have 19 sub-professional laboratorians. Our workshop staff is 23; our administrative staff, 25.

By the Chairman:

Q. When you say professional men, is that limited to the learned professions?—A. The kind of men who have gone through university training. Of those 47 men, 26 have taken their science degree; some of them are Masters and are working under the senior grade. I just want to make the statement that, of the 47, only 3 can be regarded as in that higher grade of salaries. All the rest belong to the lower grade, whose salaries are on the merit scale, and as the days go by the lower paid will be increased as they go on, because we will always be appointing junior men instead of senior men.

I think the question of security was raised in the Committee and, I think, one of the members of the Civil Service Commission suggested they could do the work better than we could do it, they could give security. I do not think there is any other way to do work in the Research Council like we are doing it.

Mr. BOWMAN: I could only wish the rest of the Service were picked in as able a manner.

The WITNESS: There is no other way we can do it, so far as taking men who are not familiar with the details of the work. Some of the state universities years ago tried to make appointments. I am sure you will recall, Mr. Chairman, that for some years Toronto University tried independent appointments, and the chaos that resulted meant a complete change of the university staff and

later a change was made to appointments as we have it here. All of our state universities have followed that example and do in the same sense to-day; and, so far as we are a training school, we take towards the Government the stand that the state university takes towards the provincial Government.

By Mr. Bowman:

Q. I have one thing in my mind I would like to follow up for a moment and while I say it it may bring something else to your mind. You would like to see this staff of men you have described, who have to make the things with which you work— —A. Men who are instrument makers. We have not many men of that sort in Canada. They are nearly all Old Country trained men, who have come to this country.

Q. When you selected these men did you, or your Council, give consideration to the method prescribed in our Service, wherever a man is appointed and the board gives him a rating according to what he says in his application and subsequently he gets a rating as to what the concensus of opinion of that board may be as to his ability?—A. We certainly consider that the sub-professional men on the administrative work might be men in connection with the Civil Service organization. But we came to the conclusion we could do it for our purposes at infinitely less cost. We created them all on the same basis. We gave consideration to that.

Q. You are still of the opinion your method of taking them in and trying them is still more satisfactory than the other system?—A. Absolutely. We get credentials first, but, before we accept the credentials, we know how weak the credentials are. A man goes to the foreman of the workshops; he is tested out to see what his quality is and the selection is made from the test of quality.

By Mr. Vallance:

Q. Does your department sometimes bring in an individual who is developing some idea or theory, in order to encourage him. For instance, I have in mind right now—is not your department to-day working on an electric moisture tester to determine the moisture content in wheat?—A. Mr. Vallance, what happened was this. Under the Board of Grain Commissioners there was a young fellow of considerable ability, and the Chairman spoke to me and said we might give him advice, and we had him six months, and he perfected the equipment while he was here and we sent him back to his own staff on the Board of Grain Commissioners, to find out whether it was too fine an instrument to be used by the rank and file. That process is in use at the moment. There is another gentleman who is interested in a certain treatment of apple products. He had an idea in mind if a certain thing could be done it would be of tremendous value in the by-product of apples. I said, "Are you willing to pay the price for getting it done." We said, "If you will pay the price we will select the man." We have a man working on that problem for this firm. We are giving him all the help we can for developing this process, but he is taking the responsibility of paying for the investigation.

By Mr. Ernst:

Q. I suppose you are familiar with the work of the Biological Council of the Government?—A. Yes.

Q. Is there any reason why the work of the Biological Council of Canada should not be coupled with the Research Council of Canada?—A. I have always been in a somewhat embarrassing position, since I came to the Service, under the fear I was trying to bring things under the control of the Research Council. I would make this statement—if we were sorting the organization of our work *de novo* we would never do the way we were doing; we would centralize it under one organization.

Q. You would have research into biological matters made by the Biological Board?—A. Made by the Biological Board, as they have it in England.

Q. The work of the Biological Board is extremely valuable work, the work they have done, but I was wondering if co-ordination would provide better facilities?—A. In the first place we have assistant researches. Any man in Canada that can show us that he is working on a piece of research work that is progressing and all he needs is to get equipment, or a junior man to work under him, we have made grants to such organizations. I think, last year, we had 100 researches going on and it only cost us $300 or $400. We helped them with junior men or equipment. We have given co-operation in research work that is so big it could not be done by an individual.

Take the research going on for the last five years in Canada with regard to rust in wheat. The department of Agriculture and ourselves had a discussion over it and we formed a joint committee of one member of the universities of Saskatchewan and Manitoba; we found the money and gave such additional help as they required to the Universities to carry on that work. We have tried to bring all the persons available in the country that could have some substantial thought about it and bring in the men to work on it. We have been doing that in a score of researches going on to-day. The departments of Agriculture of the Federal Government and of the western Governments and the three Western Universities have made a complete survey of weed in Western Canada, for the possible elimination of weeds. That is costing us about $10,000. The other Universities of the provinces are putting ten men on the work. Now, in a very short time—as a matter of fact the report is going through our press to-day—we hope to present to that committee a picture of the real situation in the western provinces regarding the dangers of weeds and with conditions to deal with that. There has been complete co-operation with the Universities, the Federal Government and the department of Agriculture of the provinces, everybody paying something to it.

By Mr. Ernst:

Q. Has there been co-operation between your Council and the Biological Board?—A. To this extent—we have asked the Biological Board—I will give you an illustration: An application was made to us to make a research on the discolouration of lobsters. The Biological Board was asked to go ahead with that.

Q. Tinned lobsters you mean?—A. We solved the problem. We spent about $5,000. The packers on the Atlantic coast said it was worth about $500,000 a year. That was the first estimate when the thing was first done; and certainly the fishermen got the advantage of it as well. Another matter was the question of bacteria on fish shipped from the coast up to Montreal; a fair percentage was going bad. We had a thorough investigation on that. I think it cost us $1,500 to do it. We said, "If fish were treated in that way you need have no further worry." Another thing was the discolouration of salt. We made an investigation and we found, to our surprise, that there was a bacteria that actually lived on salt, and the salt from that particular locality, coming to our coast carried with it the bacteria which injured the fish and it would require treatment if that salt were to be used.

Q. And you have eliminated it?—A. We have shown a way of eliminating it.

We have a number of scholarships. In selecting men for our scholarships we select a man from each—

By Mr. Bowman:

Q. Before you leave that question of fish, have you not been called into consultation with respect to white fish in Manitoba, in Lake Winnipegosis and Lake Winnipeg?—A. Our attention has been called to that and we could not undertake it until we get into our new laboratories, when we will have equipment for dealing with a case of that sort.

By Mr. Ernst:

Q. I think the question of the fishing industry depends entirely on approved and simplified methods. I am very sincere in asking you whether there is a connection between the Biological Board and the Research Council? Might that not be valuable?—A. If we could co-ordinate, agreeing to work together, assigning the tasks, carrying them out, I venture to say we could add to our efficiency 33 per cent. I am convinced of that.

By the Chairman:

Q. As a member of the Committee who knows nothing of the situation, except what I have heard about it, what is the objection to the affiliation with the National Council of any other research organizations in the departments? What is the objection to it?—A. I suppose it is the objection of established—

By Mr. Ernst:

Q. Established institutions. The Biological Board is responsible to no one. It is not under any Department?—A. We are responsible to the Committee of the Privy Council. The Biological Council is responsible to no one; they are not under any department or under any council.

By the Chairman:

Q. That seems a remarkable situation, that any public board should be in receipt of money paid by the taxpayers and not be responsible to any one.

By Mr. Vallance:

Q. I think the Doctor will agree as to the Wheat Standards Board. No one has jurisdiction over it?—A. I think they act under an Act of Parliament, but they are not responsible to anybody.

Mr. Ernst: The Biological Board ally themselves very closely with the Minister of Fisheries, because they deal with fishery problems.

Mr. Vallance: The Wheat Standards Board are responsible to nobody. I think the industry agrees they are doing various works in many respects.

The Witness: What you really need in the departments of the government are confidence, co-operation and willingness to work together.

By the Chairman:

Q. Are you not more likely to secure that desired result if all the scientific departments were amalgamated or affiliated under some head?

By Mr. Bowman:

Q. I think the Doctor does not want to be placed in the position of advocating bringing these other departments into the National Research Council for fear they might think it is a personal matter.—A. Whenever we have to tackle a problem that touches another field we have to try and bring in men from other departments of the service. We had Dr. Camsell, when he was on the Research Council; we hoped there could be goodwill established between us; and we have done an enormous amount of work together. If we could get away from the fear of the talk and that sort of thing we could still do more together.

Mr. Eagleson has just suggested to me you might be interested in the work we did in connection with the Trail Smelter. The Trail Smelter had a case entered against them by the state of Washington, for something like $6,000,000 or $7,000,000. A group of scientific men from the United States went into the work, and the government was appealed to. Here was a great big problem, involving an enormous sum of money, so we threw ourselves into the scheme; we organized a staff and, I think, we brought common sense and reason to bear on the problem. The people who were making complaints, instead of getting $6,000,000, had I think $350,000 given them by the International Joint Commission unanimously as the award for the damages that had been done. That was a very high-class piece of work; and when we wanted assistance for a proposition like this we went straight to the department and asked if they had anyone to give us, and they had a young man who had completed his training, and the training we would give him would be of the greatest advantage to him. We gave it to him for two years. We solved that problem and, I think, we saved the Canadian company a few million dollars by that piece of work alone. I think we saved more on that than the whole Research Council cost to date. I am sure of that.

By Mr. Vallance:

Q. Your findings, in any investigation you make, you give free to Canadian industries?—A. Perhaps a word of explanation of what we do would be in order. There are two ways of viewing the subject, of throwing a scheme open. If a discovery, we will say, is one that requires a large expenditure of money you cannot get a company to go into the development of it, if it is wide open. In that case we have been taking a patent ourselves; the patent belongs to the Government of Canada, the Research Council, or can be handed over to anybody only on the approval of the Privy Council. Take the sugar patent, where it will be a help to the community at large, we throw it wide open; everbody has it. Where it would require organization of business to handle, we are considering what is the best way to handle that. In England, they are facing exactly the same position with their Research Council. If you throw it wide open, no one person will go into it, unless he sees he is protected during the preliminary stages of his work. The United States have the same problem; they have thrown them all open to everybody. They are considering now whether they can charge a royalty. I hope some day we will get quite a handsome royalty that we will apply to research. That is the way I am hoping it will work out.

Q. In your investigation, and in your research, you take in the treatment of wheat?—A. Yes, wherever there is a business organization. It is only where it requires business organization of money to do it. Take the fellow who is working on apples, we give him space. If he can get anything out of it, he can have it.

By the Chairman:

Q. It benefits ultimately by the building up of an industry?—A. During the war Austrian magnesite was kept out of this country; during the war we could not get that in from Europe, so we developed some low-grade ores in the province of Quebec, and the moment the war was over, and the Austrian magnesite began to come in again, the whole thing closed down, and an appeal was made for help. It was made to me. Perhaps I might be a little over optimistic to jump in and give help if help can be given. Anyhow, we tackle every problem. We spent altogether a considerable sum of money on that investigation. It was fundamental stuff from the beginning. In the end, we solved the problem, so that that industry to-day is flourishing. Last year the

Canadian Pacific shipment of freight was $100,000 alone. That industry is on its feet to-day. I was thinking of sending our material to market in England, and on this side we have entered the American market, in spite of the duties and that sort of thing, and we have some of the business of some of the big American steel companies, because our product is a better product than the Austrian.

We have been doing a lot of work in grain. We were very lucky in that. There was left over about $200,000 from grain overages, and the government turned that over to the Research Council, and we have been carrying on for the last few years without any charge to the government. It was taken from the overages turned over to us and we are using it for research purposes. We have practically two large volumes of reports already out. In that work we are co-operating with the Department of Agriculture and particularly with the Agriculture departments in Western Canada and the universities there.

The CHAIRMAN: Are there any other questions from Dr. Tory? On behalf of the Committee, Doctor, I wish to thank you very much for coming here. Your evidence, to me, at least, and I am sure to other members, has been extremely informative.

Dr. E. S. ARCHIBALD, called and sworn.

By the Chairman:

Q. You, Doctor, are President of the Professional Institute of the Civil Service of Canada?—A. Yes.

Q. And, Doctor, you wish to make some statements to this Committee?—A. As President of the Professional Institute, I have a brief memorandum which I would read and perhaps that will bring out some questions. In introducing this memorandum, however, I wish to say how much I have appreciated the evidence of Dr. Tory and the emphasis he placed on the qualities of the men he has so kindly and freely mentioned in the department of Agriculture and other departments who are doing research, and who co-operate with the research council in so many ways. Departmental men in research are really carefully picked; there should not be any misunderstanding about this. Even though under the Civil Service Act and the Civil Service classification, we very often do not get the best men in the Service, yet the fact is that all possible care is used in the selection of all technical men such as specialized chemists, plant pathologists, etc.

By Mr. Vallance:

Q. You direct the Experimental Farms?—A. In my capacity as civil servant, I am Director of Dominion experimental farms, which by the way, have some 1,800 lines of experimental research going on. In plant pathologist work alone we have more workers than all the other institutions in Canada combined. These are different research services, and Dr. Tory's committees at all times have full co-operation from us assisting in research. Those men are the men who are doing the largest part of plant disease research work in Canada; the other workers being the universities. These men all combine with Dr. Tory on committees. The men who are doing research work in plant pathology must be the best men available, and the greatest trouble we have in developing or holding a certain class of men is the matter of classification. This is one of the principal reasons why we are losing them to the United States or to industry. The low classification is the deterring factor, not the machinery for appointments. When it comes to selecting high-class men, in any phase of research work, the very logical and first step taken by the departmental or the branch head is to see where well trained men are available and to try to induce them to promise to answer Civil Service advertisements. Simultaneously the Civil Service adver-

tises in any province or in any country the department wishes. From then on the Commission has a Civil Service examining board. I do wish to emphasize that point, that research men in departments are just as highly valued for their ability and their training and are just as carefully selected by the heads, but with this very meagre salary classification always as a deterrent.

Q. May I take it that your view is you cannot get the best men, or the best men you want, because the salaries are low?—A. Yes, no doubt. The Beatty Commission acknowledged that. The Beatty Commission inquired into all salaries of prefessional men.

Q. And made a recommendation as a result of the investigation?—A. Yes.

Q. If the recommendation made by the Beatty Commission were put into effect would it bring about an improvement in the situation you have just outlined?—A. Very largely. We want a cereal chemist, not to do routine but special research work. We have two or three men in our department making a protein analysis, routine chemical work and I wanted a man specially qualified in protein investigations. That position has been advertised four times unsuccessfully. The Civil Service board has all the representations needed and they decided it was unwise again to advertise, under the present classification. That is a situation that might exist also in departments where high-class men are needed to support the work men are doing in allied lines, experimental work or perhaps some other phase of work in the department. In that connection, may I give an illustration of the relative salary classes. The Dominion Botanist has a salary of $3,480. The Beatty Commission recommended a classification up to $5,500. That man is in charge of 11 branch pathological laboratories, of which the Rust Research Laboratory at Winnipeg is one of the largest, but only one of the 11. He has a staff at Ottawa. He has all the other phases of agronomic botany, histology, and all the various aspects of botanical investigation, and I do not think it would be humanly possible to replace the present man with a man of equal experience under the classification of $5,000 or $6,000.

By Mr. Bowman:

Q. Does he come in a general class of some kind?—A. He comes as the Chief.

By the Chairman:

Q. His recognized maximum is now a little over $3,480, and then you provide him with a house or give him an allowance?—A. He has a $360 house allowance.

Q. So we must add that to the $3,480 maximum?—A. Yes. The Dominion Chemist, recognized all over Canada and in the United States, in Great Britain and other countries as one of the leading agricultural chemists in the world—his contributions to science, to practical agriculture in every way are well known—gets a salary at the present time of $4,000. For three successive years the department has been compelled to ask for an annual renewal of his appointment because no successor is available at the salary offered. Heads of university chemistry departments all over Canada have given their aid but we have been unable to find even a reasonably well trained successor in agricultural chemistry for a salary under six or seven thousand dollars.

By the Chairman:

Q. I note in the classification of the Civil Service there is a note to compensation to this position. That it is subject to change when the present incumbent relinquishes his office. Does that mean they are going to cut it down?—A. It means they might cut it down to $3,480.

Q. Where you have to get a man with special qualifications and where you have to seek, if men are looking for such a position, are you going to have.

in the ordinary course of events, to make the salary scale such as would appeal to the man you want in each individual case and to the party who pays the money?—A. Yes.

Q. Then in view of that situation, would it not be better if positions of that kind were taken from under this classification altogether? Employees in a similar position to those under the National Research Council, where they are not bound by the hard and fast rules of the Civil Service Act would and could deal with the individual man for the individual job?—A. There must be more elasticity in his appointment.

Q. How many key positions would there be in your department?—A. Just in the Experimental Farm alone, not including the Entomological branch, or the Health of Animals, we have eight positions that you might call major key positions.

Q. Possibly the amalgamation of two or three, under one, in order to have a very high-class man at the top might pay eventually?—At the Central Farm the heads of each major plant breeding division is outstanding and of world recognition. The heads of the Divisions of Chemistry and Botany are equally good examples but on the branch farms these are generally trained superintendents, and in the branch laboratories it is entirely different. We have in the Rust laboratory in Winnipeg a whole string of men, comparatively young men who have earned their doctor's degree, and with the encouragement of the Research Council and the encouragement of the Universities they have become recognized as the ablest men in wheat rust research anywhere in the world, and it is the best organized body of men. These men cannot possibly be replaced for their present classification, and, certainly, the senior man at most of our plant diseases laboratories is a key man. So, you see, in the various grades of key men there would possibly be twenty positions, and whether or not these should be recognized separately in the Civil Service classification, or handled in some other way, is immaterial, as long as there is enough salary to hold them and to fill vacancies as occurring with really high classed men.

By the Chairman:

Q. Of course, you appreciate that the subject matter is one with which this Committee cannot deal?—A. I fully realize that.

Q. The power is now in the Civil Service Commission to initiate this method. The Beatty Commission has made a recommendation. We are really concerned more and have to be concerned more with what statutory amendments, if any, we should recommend, and not a Board administration?—A. If I have gone a little afield it is perhaps to emphasize the two facts which really are under the Act, that so far as most of the departments are concerned every care is taken in the selection of high classed men—the high class men as represented by the bulk of the members of the Professional Institute, are not second-rate men. They are the men who have been doing the work for the Civil Service of Canada, taking the initiative and leadership in engineering work, medical and research in various aspects, and these are the key men on whom the Research Council which has put up such an excellent case for the proper evaluation of good men, are dependent, just as the Government and the people are dependent on them for high-class work. And they are doing the work. Now, may I read a memorial?

By Mr. MacInnis:

Q. While you are on the question of classification, may I ask a question: You maintain that the classification for these key men is too low, and I think from what you said that the Committee agrees with you. Now, what is the obstacle to a reclassification of these positions? Is the obstacle in the Civil

Service Commission?—A. No, no, there has been no obstacle in the Civil Service Commission. The Civil Service Commission, a year previous to the bringing down of the Beatty report, also presented a report to Government, particularly emphasizing the necessity for a reclassification of the professional and technical positions, particularly of research men in the department. That was set to one side as being inadequate, the government, saying that the recommendations were not sufficiently high, which was true; but they were infinitely better than existed then and which still exist. It was set aside and the Beatty Commission was appointed, which as you know, presented the Beatty Commission report. The Professional Institute, by the way, when the Beatty Commission report was brought down—although more or less on solicitation—pointed out some of the small inconsistencies and errors which were bound to exist in a report of that kind and for which machinery was set up for the correction. They emphatically recommended to the Government that it implement the application of the Beatty Commission report. So that the Civil Service Commission report and the Beatty Commission report on reclassification of technical men would have been a distinct step forward, and both of which would have been favourably accepted by the professional men.

Q. When was the Civil Service recommendation for reclassification made? —A. Just a year previous to the Beatty report.

Q. When did the Beatty report come in?—A. The year before last—1929.

Q. Here we have a peculiar situation. The Civil Service Commission are agreed that the classification is too low, and the Government, evidently, are agreed that the classification is too low, and yet the classification remains where it was before the recommendation was made?—A. Minus a 10 per cent cut, sir.

The CHAIRMAN: Because, in the meantime, it became very necessary, in order to carry on the business of this country, that very heavy additional taxation should be imposed upon the public. I imagine that is the reason why prompt consideration was not given to put into effect the recommendations of the Beatty Commission.

The WITNESS: But you recognize then, gentlemen, that these professional and technical men, many of whom could have gone to the United States Departments or to Canadian or American universities, but decided to stick with the big field of opportunity in Canada, have been carrying that 10 or 15 or 20 per cent cut for a number of years. There has not been a complaint, or a whimper from any of the technical men regarding the 10 per cent cut as a patriotic move, but they do recognize that the 10 per cent cut, and a great deal more, has been carried by them as compared with salaries in other institutions in Canada and outside for many years.

By Mr. Vallance:

Q. I do not know whether the question is pertinent or not. Naturally, I am interested in agriculture and its developments. If it has been difficult for you to carry on your department, paying the salaries that you have up until now—I am afraid I must mention this—in going through the estimates I noticed that your estimate is particularly slashed this year?—A. Yes.

Q. How do you propose to carry on. I do not want you to answer if it is not pertinent. Naturally, I noticed that—

Mr. ERNST: I doubt whether the question is in order.

Mr. VALLANCE: I do not care. I will ask it at some time when it is.

The WITNESS: May I offer the other angle and state that so far as all the trained men in the various sciences pertaining to agriculture are concerned, during the last ten years, since the Arthur Young and the Griffenhagen reports were brought down, other departments have had upward reclassification, show-

ing that the departmental heads were by no means satisfied that their technical and professional men were being fairly dealt with. Nor was it fair in the departments to hold men under such low classifications. Agriculture was the only one, in all the technical groups, that did not benefit in any way. And so there have been men in all the sciences pertaining to agriculture who have been carrying a double handicap for the past ten or twelve years as compared with the men in other branches—other technical men in the service, and all of them as compared with technical men in other services.

By Mr. Bowman:

Q. In other words, the technical men in the agricultural service are lower paid than technical men in similar positions in other departments?—A. Yes. We have in agriculture a very high percentage of our men with their doctor's degrees in science, and these men receive from 10 to 15 or 20 per cent. less than men of similar academic qualification often with less responsibilities and less potential earning power to the people of Canada.

By Mr. Ernst:

Q. You have our sympathy, but we have not much to do with it?—A. I fully realize that. Pardon me for digressing. I did want to state the fact that there are high class men in this service that are not half appreciated and that were carefully picked, and we have tried to fill the vacancies as occurring when it is possible. The only great stumbling block is not the machinery for filling the position; it is the classification.

By the Chairman:

Q. When you say filled what do you mean, by whom?—A. The department.

Q. I thought these positions were all filled by the Civil Service Commission? —A. Yes, on the request of the department, sir.

Q. Again we get down to the plain, ordinary, every-day fact that the Civil Service Commission does fill these positions, at the request and recommendation of the department?—A. Yes.

Q. So that they really have no say in the matter at all, except that if for some reason or other the Department was making some recommendation which was ostensibly inadequate they might oppose it?—A. Of course, there is the full machinery for filling positions, whether by open advertisement, promotion or otherwise.

Q. What I am trying to get at is this: We have gone along for some years under the impression that we had, in this country, the much vaunted competitive, merit system whereby the Civil Service Commission, by a process of examination, always secured the appointment of the man best qualified, and that they exercised their discretion in selecting that man. Now, since this Committee has been sitting, and from matters I have heard, it would appear that the departments have a tremendous lot to say—the departmental head has a tremendous lot to say—as to who is to be selected. I am not objecting to it; I am trying to get at the facts. Your intimation would seem to bear out that fact, would it not?—A. To a certain degree. I will say this, that when the Boards are called, the department has one, or perhaps two, representatives, the Civil Service Commission has two representatives, and the returned men have their representative, and, if they are highly technical positions, almost invariably Dr. Whitby or Dr. Boyle, or someone else from the Research Council, or someone from the Mines branch, or the Biological branch, of some other department or university —McGill, Toronto, Queen's—are called on very frequently for another representative—in other words, an independent technical man in that particular field. Now, I will say this: I attend all of the Boards for the Dominion Experimental

Farm for technical men. I do not leave it to anyone else. I get assistance, of course, in reviewing anything which must be reviewed either previous to the Board or after the Board from my own technical officers, but at none of the Board meetings has the machinery of the Civil Service Commission been in any way an obstruction in picking the best men.

Q. Thank you.

The WITNESS: Now, Mr. Chairman, may I read this memorial quickly?

By Mr. Bowman:

Q. Has the Civil Service Commission been of much assistance, if it has not been an obstruction? No, I will not ask that question of you.

The CHAIRMAN: It is hardly fair.

The WITNESS: I can say it has been of assistance, but I do say that when we get into the higher classes of men the Department must first survey the field, because we alone know where these highly technical men may be found.

By Mr. Bowman:

Q. I can see where the technical men are in an entirely different position from— A. From clerical and stenographic positions, absolutely.

The CHAIRMAN: They are in a class by themselves.

The WITNESS: Now, if I may, I will read my memorial:—

> The professional Institute of the Civil Service of Canada was formed in 1920 to promote the welfare of its members, to maintain high professional standards, and to enhance the usefulness of the service to the public. Our motto is "We Serve the State," and our aim, to serve it whole-heartedly and with the maximum of efficiency.
>
> Our organization numbers some 1,300 members from all parts of Canada, embracing 33 professional groups as shown in the Appendix. Approximately 70 per cent of the professional and technical personnel of the service is included.
>
> The Professional Institute wishes to present the following points for the consideration of the Select Special Committee:—
>
> 1. The Institute has always approved of, and supported the principle embodied in the Civil Service Act, and now wishes to reaffirm its unswerving belief in the merit system of appointments to and promotions in the Public Service.
>
> 2. We would strongly recommend more elasticity in the Civil Service Act, under proper safeguards, to enable officers to take leave of absence with pay, or to accumulate holidays for the purpose of pursuing post-graduate studies or undertaking departmental research work at educational institutions. Such a policy would result in increasing the efficiency of the professional and technical men of the service, who would thus be enabled to keep abreast of progress.

Dr. Tory mentioned that privilege and found it very important.

By Mr. MacInnis:

Q. While in principle that privilege would be very desirable, the difficulty that arises is that it can be very easily abused, if you have not an extremely strong man at the head who will censor every case on its absolute merits?— A. Nevertheless, sir, I think the possible wastage and abuse would be very small. I take it that with men all of high standard academically and all pursuing post-graduate work and actually taking, to the university or to the sister Research institution in Great Britain, or wherever it may be, the research problems of the departments on which they were working and for which they

were responsible, that the possibility under those safeguards is very small; and if the branch chief, or the departmental head, cannot safeguard the Government under those circumstances and allow that much elasticity, then surely there is something radically wrong. I know absolutely that we have lost high-class men, men some of whom have had Research Council scholarships and promised to develop into real key men—we have lost them to the Experimental Farms' Biological service simply because they could not pursue their post-graduate work with a very little assistance, and when they were actually taking the department work to the university or to some sister Research Institute.

By the Chairman:

Q. All of which, Doctor, comes back to what has been expressed before, that the deputy head or departmental head should have a tremendous amount of say—I use that for want of a better word—in determining which man of several applicants is the most suitable man for a particular position which is available at that time?—A. With privileges when appointed.

Q. That is what I mean?—A. "We recommend that section 13 of the Civil Service Act be amended to permit permanent appointments to be made at a higher rate of pay than the minimum of the class, where the public interest would be served to better advantage."

We have, within my recollection, in my branch, lost the opportunity of bringing back to our service men who had formerly reached the maximum of their position. To bring the mback into the same positions they would have to go right down to the minimum. They would not go to the minimum; they did not ask to be taken back at the maximum. Some intermediate point would have brought these men back to the work.

> We believe in the principle that all promotions should carry with them an increase in salary which is frequently lacking owing to overlapping salary ranges. We recommend therefore that promotions should involve a stepping-up to the next higher rate in the new salary class.

Q. That was developed quite fully by the Commission.—A. I might say that we had this prepared or roughed out before much of that evidence was given:—

> We strongly recommend the repeal of the Order in Council of 1871, which imposes the cost of removal expenses upon a civil servant accepting a promotion in another part of the country. It is our opinion that the public interest is unfavourably affected by this regulation.

Mr. ERNST: I did not know there was such an Order.

The WITNESS: The old Order still persists. It is obsolete but it still is in existence. If we have two plant pathologists, say, in the university laboratory at Edmonton, and if we desire to move one to Ottawa to a position of senior pathologist, he may be at the maximum of his class, but he comes into the minimum of the other class, which means practically no salary increase for a year, and yet he has to pay his removal expenses. Yet, if the Government transferred him as a plant pathologist they would pay his expenses. It is really detrimental to proper promotion.

By Mr. Chevrier:

Q. Was that taken up in 1924 also?—A. Yes.

Q. And was it the opinion then that that should have been altered?—A. Yes.

> We endorse the recommendation made by Dr. Roche that retiring leave be replaced by a gratuity, thus obviating the necessity of prolonged vacancies. (Minutes of Evidence, page 6).

We recommend that Civil Service Regulation No. 73 be amended so as to permit retiring leave to be based on aggregate service instead of continuous service, as at present. This could be affected by substitution of the word "continually" for "continuously."

We view with disfavour the appointment of temporary employees to positions which are obviously permanent in character.

We favour the establishment of a permanent Parliamentary Committee on the Civil Service, as suggested by Mr. Foran in his evidence before this committee on Thursday, March 17 (Minutes of Evidence page 94).

We realize that the present is not an opportune time to urge increases in classification, but we request that as soon as economic conditions permit, the recommendations of the Beatty Commission with regard to the technical and professional service be implemented. In the meantime the Civil Service Commission might be instructed to prepare for the adoption of these recommendations.

We consider that where the Civil Service Commission is aware of the existence of anomalies or discrepancies in the organization or classification of any department it should be incumbent upon the Commission to notify the department of the fact and to offer co-operation towards adjustment.

By the Chairman:

Q. We think that exists now under the Statute?—A. Yes. It exists under the Statute, but the Civil Service Commission is not at all active in assuming its responsibility in that regard.

In conclusion, we would reiterate that it is the firm conviction of the Professional Institute that the matter of government appointments and promotions should remain in the hands of the Civil Service Commission according to the provisions of the Civil Service Act. We believe that the best interests of the public service would be served by the establishment of the closest co-operation between the departments and the Commission, so that the deputy minister's intimate knowledge of his department may be utilized to the best advantage.

Q. Doctor, I simply cannot reconcile in my mind the last statement you read from your memorandum with the spoken statement which you gave here to-day in answer to questions. In its final analysis somebody must have the say as to whom ought to be appointed to any particular position. Now, in your last statement you say this ought to be left with the Civil Service Commission?—A. Under the existing Act and regulations.

Q. Under the existing Act and regulations. If I conceive your prior statements it was that the departmental heads are in a better position to know who is most suitable to fill these highly technical positions than the Civil Service Commission. How on earth can you reconcile the two statements?—A. I think I see your viewpoint, sir. Where we have, however, parallel positions with men of parallel scientific training in two different departments, if there were not some means of standardizing under a common Act one departmental deputy might very easily have men—

Q. Standardizing in what rsepect?—A. In as far as evaluation to classification.

Q. I should think that the only thing in the world you could not do with a man in a highly technical position is to standardize either the man or the position. As I understand it, for these highly technical positions, you require a man who is above the standard—everybody has a certain degree of qualification—when he leaves the university he has either graduated in science, or

in law from a law school, or medicine from a medical college. I cannot see your point on standardization?—A. Perhaps the word was incorrectly chosen, but a classification within which men of similar scientific attainment might be paid.

Q. Yes. But I am not thinking of pay and I am not thinking in terms of classification; I am thinking in terms of obtaining for the public service of this country the best men available where we can?—A. For senior, intermediate and junior positions alike?

Q. No. I do not want to bother you with the ordinary positions of clerk and all that?—A. I am speaking of technical and professional men.

Q. Say technical and professional men in your own field. Who is in a better position to judge the most suitable men in those positions, the departmental head or some of the officials of the departments who are familiar with the position and the qualification of the men required and all that sort of thing, or a Commisison, aloof and apart? Who is going to determine it on the best basis?—A. Obviously the department knows its men.

Q. Then, if the department—and by that I presume you mean departmental head because I presume he reflects the views of the department—if the departmental head is in the best position to select the man, then how do you reconcile that with the view you have stressed that a system whereby, theoretically at least, it is left to the Commission to determine, should be endorsed by your organization? That is what is bothering me?—A. Our interpretation of the Act, sir, is that the department has a full voice in the promotion and in the selection.

Q. At the present time?—A. Yes, through the Civil Service Commission. Now, all the other various factors which come under the Civil Service Act as to holidays and leave, they naturally apply to all of the service, and the selection of these men under the Civil Service Commission brings them into line with all the routine to carrying on under the regulations of the Civil Service Act.

Q. But so far as getting the men most suitable for the position at the present time, you think that, under the present system, the Department really has full say and full scope to get the man whom they think is the best qualified? —A. So far as my personal experience is concerned, we have had the fullest co-operation from the Civil Service Commission, and no hindrance whatever in the securing of the best men available.

Q. Thank you. That clarifies something that has been bothering me a good bit.

By Mr. MacInnis:

Q. Following, and possibly getting to the root of the questions asked by the Chairman, if you will pardon me, the Civil Service Commission was not appointed because the departments were incapable of choosing the best men. I assume that the Civil Service Commission was appointed not because they were incapable, but because it was not generally done. Is not that really the foundation of the whole thing? You do not need to answer that.

By Mr. Ernst:

Q. In the lower classes?—A. In the lower classes.

Q. You would scarcely say that applied to the technical classes?—A. No. I do not think it would apply to the technical service.

Mr. MacInnis: We are talking about appointments.

The Chairman: I was only questioning Dr. Archibald so that there may be no misunderstanding with regard to technical and professional men for technical and professional positions.

Mr. MacInnis: We will come back to that. The deputy of the department is not generally selected because of his technical understanding of any question.

The Chairman: Oh, yes.

Mr. MacInnis: Oh, no.

Mr. Ernst: He has assistants.

Mr. MacInnis: Of course, he has assistants, provided he is wise enough to ask the advice of his assistants; but at the same time, the ideal Commission would be the one that had wisdom enough to use the intelligence and knowledge of the departments and strength enough to resist the encroachments of the departments when necessary.

The Witness: And both of these points are covered by the Act, are they not? We do believe, and may I make this statement as a departmental official, that the Civil Service Commission, by probably assuming more initiative as allowed under the Act, could be a much stronger co-operative factor in helping the department than it is. That is, there is not the close bond of co-operative assistance that there might be.

By Mr. Chevrier:

Q. We know the system that prevails at the present time for the appointment of technical men. That has been a point of difficulty all along as to whether they should be appointed on the recommendation of the deputy minister rather than upon the recommendation of the Civil Service Commission, in conjunction with the deputy minister. Now, you have cleared up in my mind that point to a certain extent. Were you in the service under the operation of the 1908 Act?—A. I came into the service in 1912

Q. Then it was the old Act?—A. Yes.

Q. I wonder if you remember the operation of Section 20 in the old Act? That had regard to the appointment of technical men. It was something like this—and I want your view on the old practice and the new practice, because that is the point that is always coming up in the appointment of technical men—under the old Act the deputy minister went out into the field and selected a man and then the Civil Service Commission passed upon his qualifications, and if the Civil Service Commission were satisfied that he was qualified for the position, they issued a certificate. Do you remember that practice?—A. I did not have any intimate association with it. I was a divisional chief then.

Q. That gave much more power to the deputy minister for the selection of the technical men. Having those two systems in mind, which one of the two would you prefer?—A. Well, as President of the Professional Institute, I would scarcely care to express an opinion.

Q. Maybe so; but an individual view. Maybe you do want to answer it.

The Chairman: We realize that the witness is placed in a very difficult position; he is a civil servant himself.

The Witness: As a departmental chief, I do not mind giving you an opinion.

By Mr. Chevrier:

Q. Let us go back to the present system. You say it works well with the co-operation of the Civil Service Commission?—A. Yes.

Q. And that the difficulty is as to the question of salary?—A. Yes.

Q. Now if the ranges of salary for these technical men were increased to, say, what the Beatty Commission had recommended, would that help you along in the selection of these men?—A. Oh, yes.

Q. Would it remove all of this difficulty?—A. Yes. It would remove our difficulty.

By Mr. Ernst:

Q. You were going to say something, as the head of a department?—A. As the head of a department, I do not mind saying that as long as the deputy and the chiefs of branches are in harmony, that the deputy is prepared to leave to the chief of the branch in question the surveying of the field for highly qualified men, whether or not there is a letter of application to the deputy or to the Commission, or whether there is no letter it is immaterial as long as you have that field of men to pick from. I am speaking as a departmental official—if we had the proper classification, there is nothing in the Civil Service Act and there is certainly nothing in our relationship with the Civil Service Commission, which would preclude the possibility of our inducing those 5, 6, 7 or 8 highly qualified men to apply to the Commission, and as the voice of the Department on the examining board, I would have just the same power of selecting the best men as though the Civil Service Commission did not come into the picture at all, and the Deputy Minister had sanctioned my selection. The personal relation exists there, but the harmonious condition which does exist between my branch of the department, the Experimental Farms Branch, and the Civil Service Commission is not in any way an obstruction in getting the best men to apply.

By the Chairman:

Q. No; but I suppose you are still affected by this hard and fast rule that your best man might put in an application one day too late and they would write back and say, "you cannot even be admitted to examination because you are a day late."—A. We have had no trouble in that connection. They will take delayed applications. There have been one or two cases where there has been a delay between the finding of the Board and the signature of the Commissioners, whereby the best man has been lost.

Q. How many years have you been in the service?—A. Twenty years.

Q. Have you ever had a case come to your attention where a man who was highly qualified for a position was refused to be examined because his application came in a day after the time set by the open competition advertisement? —A. No. And repeatedly, when the Board of which I happened to be chosen as a member made a preliminary survey of the candidates, and four or five of the men whom I had practically secured promises from to apply were found not to be there, the Civil Service Commission quickly and readily agreed to a delay and to the acceptance of the late applications.

Q. That would seem a very sensible thing to do?—A. In other words, sir, so far as I, in my departmental capacity am concerned, the Examination Branch has always done everything it could to help us pick the best men, whether in junior positions or intermediate or senior, or getting into real key positions higher up.

The Committee adjourned until Wednesday, April 6, at 11 a.m.

The Select Special Committee to inquire into and appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 11 a.m., Mr. Lawson presiding.

J. C. G. Herwig, called and sworn.

By the Chairman:

Q. Mr. Herwig, whom do you represent?—A. I am the representative of the Canadian Legion of the British Empire Service League.

Q. You wish to make some representations to this Committee on behalf of the Canadian Legion of the British Empire Service League?—A. Yes, sir.

Q. Will you proceed?—A. I am not sure whether or not you would like to hear something about our organization first—whom we represent?

Q. I think we know that. You are the representative of the Canadian Legion?—A. Yes. Do you wish to know any details about the organization?

Q. I do not think we need it. We know what the nature of your organization is and all about it; some of us are members of it?—A. The ex-service men, since they have returned from overseas, have been interested in the federal field of service. I suppose some 500,000 ex-service men returned to Canada. I am not sure of the figure; but even if there had been no preference established under the Civil Service Act, ex-service men would naturally have thought of the Civil Service as a field for employment and re-establishment. However, they have a special interest in it, in view of the preference which has been included in the Act. They regard the preference, of course, as a measure of re-establishment, and perhaps a little more. In some respects, it is more than that, because it is more or less in the nature of a gift, perhaps, or a reward for service. I think that view has been supported by an opinion of the Justice department. So, in talking about the preference at this time, we do not attempt to defend it in any way; we simply accept it as a fact; and any attacks that may have been made upon it are probably expressions of opinion as to its operation and effect which may or may not be borne out by fact. Perhaps I could make a few statements regarding the preference as we see it. In regard to the Civil Service Act, ex-service men have been close observers of the merit system. They regard the merit system as the safeguard of their preference. Perhaps, at this time, it might be a good thing to put in a few figures about the number of ex-service men who have been appointed to the service. I have some figures that have been supplied by the Civil Service Commission. From the 1st of October, 1918, until the 30th of June, 1930, comprising the figures I have in this block, 38,381 ex-service men have been appointed.

By Mr. Ernst:

Q. Out of how many appointments altogether?—A. Out of a total number of appointments, during that period, of 91,770.

By Mr. Bowman:

Q. From October 1, 1918?—A. To June 6, 1929. I have some figures for subsequent years up to 1921, but they have not been co-ordinated yet.

By the Chairman:

Q. I may say that the returns we have here give us the details of all appointments of returned soldiers from 1925 to 1931, and there is a compilation of them?—A. If that is the case, probably I am correct in saying that roughly there may have been over 100,000 appointments of all classes and probably about 40,000 returned soldiers. I am not sure of that. In other words, about 40 per cent of all the appointments in the service, since the preference has been introduced, are ex-service men. Of that number there has been a total of 3,477 disabilities, or, let me add, disability cases who have been appointed under a disability clause. In other words, approximately three and one-half per cent of these employees include that type of appointment. The figures I have on permanents, if you have them, perhaps I will not need to mention them.

Q. We have them from 1925 to 1931?—A. Are they classified as permanents, temporaries and so on?

Q. Yes.—A. The point I want to make there is: The permanent man, we regard him as having been re-established; of any person who has had a temporary appointment you cannot say that.

Q. There is one point in connection with returned soldiers' preference that I am interested in. I have received quite a number of letters from individual returned soldiers, both prior to and since this Committee started its work, and some of them seem to complain very much about the nature of the preference. I am not now dealing with the question of whether or not there should be a preference. There seems to be a little doubt in that regard—but as to the nature of the preference. Section 29, subsection 2 of the Civil Service Act provides:—

> The Commission shall prepare and maintain a special list of persons in receipt of pensions by reason of their services in the war who
>
> (*a*) have from causes attributable to such service lost capacity for physical exertion to an extent which makes them unfit efficiently to pursue the avocations which they were pursuing before the war;
>
> (*b*) have not been successful re-established in some other avocation; and
>
> (*c*) desire to be placed on such list.

Now, these letters coming to me would indicate that a number of returned men feel that the man who is in receipt of a pension should not have a preference over the chap who is not in receipt of a pension because, they say, in many cases, a man who is already in receipt of a pension, on which they exist, has that supplemented by obtaining a salary. Now, may I take it that the considered view of your organization is that the preference should remain as it now is and should not be extended?—A. That is the disability preference?

Q. Yes?—A. Yes. Taking in all the factors and considering it from all angles, we think it should remain.

Q. And if there is a view among returned men such as I have expressed, it is a minority view?—A. I think so.

Q. So far as the organized returned men are concerned?—A. Yes. I think, generally speaking, that introduces what we may call the economic factor. Say a man with a pension secures a position by reason of his disability whereas there may be a good qualified returned soldier who is out of a job and has a family to support. Questions arise there. There is no doubt about it. And like nearly all laws, there are some exceptions, which are hardships.

Q. But there is no question about the fact that your organization, as an organization, is in favour of the maintenance of this preference?—A. Absolutely, sir. Perhaps I should mention some of the figures here in regard to pensioners in a general way. There are about 66,000 pensioners in Canada. I think about 5,000 of those are in other countries, which would leave about 60,000 roughly

speaking pensioners in Canada. Of that number about 6,000 are in classes 1 to 5—80 per cent to 100 per cent. These men might be referred to as being almost unemployable. There is another figure between 6 and 17 who have a considerable disability but are capable of some employment. They represent a figure of 35,000. Now, we cannot very well say that these fellows should not be employed, but in order to become employed they must have some assistance because no employer, generally speaking, wishes to undertake the charge of disabled men and we feel that the Government, being the largest employer in the country, should take cognizance of that problem. They do so in the disability preference. Now, in working out the different cases, or the difficulties in putting the preference into effect, we think some latitude might be given in regard to cases of that kind to the Commissioners—some discretion. For instance, I can recall a case, in Saskatoon, where caretakers were wanted for new public buildings. Several ex-service men, married with families, were taken on temporarily, I presume under the thirty day clause. When the competition was held some single disability cases passed the examination and went to the head of the list and were appointed in place of those other fellows. Now, naturally, we did not like that very much. We think that is more or less a hardship. It is placing the heavy burden on the married ex-service man and if some way could be found to get around that we would not object at all; but in a general way, we think the disability preference should be maintained.

By Mr. Chevrier:

Q. Mr. Herwig, the same kind of evidence was given in 1924 before the Parliamentary Committee of that date?—A. Yes. I think Mr. MacNeil went into the question.

Q. Now, since 1924—that is in eight years—has there been any improvement in the returned soldiers case?—A. I suppose the figures, more or less, speak for themselves. Out of 60,000 odd pensioners, 3,000 have secured employment in the government service and only about, I think it is, 1,800, roughly speaking, perhaps 2,000 have been appointed permanently.

Q. Since 1924?—A. No, since 1922 when the preference came into effect.

Q. I agree with the system of the returned soldiers' preference, but I think that I have some doubts about the wisdom, just as I expressed it in 1924, and I express it now—I still have some doubts as to the wisdom of granting the preference to the disabled man who draws a pension as compared to the returned soldier who draws no pension and has dependents. Let me make my point plain. I am not arguing against the preference, because, as I said then and repeat again, that it is wholly within the jurisdiction of the returned men to submit whatever they want. But I still cannot see the reason for granting preference to the pensioned man without dependants as against the non-pensionable man with dependants; but if it is your will, "thy will be done"?—A. May I say something on that point? The pension is granted as a compensation for a degree of disability. Now, you take a man with an arm amputation—

Q. I agree to that; but I have seen cases here where pensioners have obtained a preference as against a starving non-pensioner?—A. Quite true. When the economic factor enters into it, the preference is a very difficult thing to administer.

By Mr. Vallance:

Q. I am quite familiar with the case you referred to in Saskatoon, and I know that it did exist with men there—married men who had been in the service from 1915 to the end of the war, but had no disability, were displaced by single men who had a disability. I know the case and think in that case there were hardships. I am glad you mentioned that fact because there was a feeling that

if something could be done to prevent a recurrence of that, I think it would be desirable?—A. In that particular case we wrote to the Commissioners asking whether they had any discretion in that matter and, of course, they had not.

By Mr. Ernst:

Q. Perhaps you cannot answer this question, and perhaps you can answer it only partially: Where there are married men applicants, who are ex-service men but who have no disability, and a single man who has a disability, would you have any objection to going as far as to allow them to rank equally, as to preference as between themselves, and simply rate them on ability?—A. I think not.

Q. Would you have any objections?—A. I would like to see the economic factor considered. I think all returned men want that done.

Q. I will not say the whole way. I am only taking them on equal competitive basis to the extent of the disability preference. The man who has not a disability, may have a large family to support. I, too, have seen instances of it. Would the returned soldiers organizations object to placing them on an equal competitive basis, maintaining the preference as against those who are not ex-service men?—A. Of course, I would not be in a position to answer that.

Q. It is only going half-way?—A. Yes.

Q. To meet the economic situation?—A. I do not know that the situation arises very frequently. It arises, of course, in times of stress like these; but, generally speaking, it does not arise very often.

Q. Of course, if you just gave the preference to married men I can see that a single man might get married and make application.

The CHAIRMAN: That might be a laudable action.

Mr. ERNST: That is, if there are any ex-service men who are still single.

By Mr. Bowman:

Q. Of course, there are a few cases, like the case referred to at Saskatoon, and they give rise to a great deal of criticism, particularly in hard times like these, and they have a reaction, I think, against those things which you are so anxious to maintain?—A. Our own organization—that is the branch concerned—of course, were very much opposed to it.

Q. I think if there could be some relaxation of the rule, or some rights given to the Commission, to exercise discretion that might help some?—A. We believe a little discretion there would not be out of the way.

Mr. ERNST: Some rule could be applied. I can see where it might help the situation.

By the Chairman:

Q. Apparently you do not wish to make a definite answer to Mr. Ernst's question as to whether or not a married veteran should not rank equally for preference with a non-married disabled veteran?—A. No.

Q. Has that question been considered by the Legion?—A. Not in that way, sir, no. When we discuss questions of that kind, a lot of the Legion members, the majority of them, are potential applicants for positions in the service, and, in a general way, they do not like the situation as it is; but it is pretty difficult to suggest a remedy.

Q. May I ask when was this question of disability preference last considered by the Dominion or Provincial command of the Legion?—A. Well, I do not think—I will put it this way—I do not think it ever had any exhaustive discussion, at any Dominion convention, because it was generally accepted. There was no voice raised at our conventions against it, but we get it through the various cases such as the Saskatoon case.

By Mr. Ernst:

Q. Mr. Herwig, I want to ask you two or three questions regarding the organization and its members. How many members has the Legion to-day in Canada?—A. We have an enrolled membership of 115,000, about.

Q. And what other returned soldiers' organizations are there?—A. There is the Army and Navy Veterans and the Amputations Association.

Q. That last one only takes in cases of amputation; it is comparatively limited in scope?—A. Very limited.

Q. Amongst your 115,000 members, how many are disabilities?—A. I could not say; but I imagine there would be a very large proportion of them.

Q. They are actual disabilities—that is in receipt of a pension or perhaps applicants for pension?—A. Well, yes, a lot of them would be.

Q. Many of those who are not actually classed as disabilities to-day are applicants for pension?—A. Yes.

Q. Probably the preponderating voice in the Legion itself is the voice of the disabled men?—A. I would not like to say that. I could not define that as such. That is what you might call almost imponderable.

Q. I know that is not true in the local branch to which I belong?—A. I think if there have been there would be a great number of resolutions affecting this particular situation—defending it.

By Mr. Bowman:

Q. Hardly defending it?—A. Defending the preference, Mr. Bowman.

Q. You mean the preference for— A. The disability preference.

By Mr. Ernst:

Q. I have had resolutions on the returned soldiers' preference, but I am convinced that many of the Legion members do not understand the true nature of the preference?—A. That is quite true. We have found that.

Q. They think that every returned soldier is equal in the matter of preference?—A. As a matter of fact, every disability has not got the preference.

Q. No.

By the Chairman:

Q. I notice in the resolutions which you have filed with the Clerk of the Committee, and of which I received a copy in the mail, resolution No. 2 concludes as follows:—

> Therefore be it resolved that this convention do protest most strongly against any alteration or modification in the preference now accorded and as granted by parliament in 1921.

When was that resolution passed?—A. That was passed last August at Niagara Falls.

Q. Was that by resolution of the Dominion convention?—A. By resolution of the Dominion convention. All those resolutions are Dominion convention resolutions.

By Mr. Ernst:

Q. How long would it take you to consult with the Dominion Command of the Legion and get an expression of opinion which would be authoritative?—A. On the particular points you have mentioned?

Q. On disability?—A. Of course, the Dominion executive would have no authority to go beyond the resolutions.

Q. No. They might express an opinion?—A. Yes, individual opinions on the operation of the preference.

Q. May I go a step further. In regard to the situation as explained, I have no doubt that inside of two weeks, across Canada, you could get opinions from practically every branch of your Legion?—A. Yes. I suppose you could do it by telegram.

Q. And I suppose you would not get those opinions by sending them a special resolution with a request to pass it?—A. We agree that in the operation of this disability preference there are many anomalies, when you look at it from a human standpoint, and we would welcome some change which would not, when you get a *bona fide* disability case, disqualify a man who needs the job and needs re-establishment. We would like to see that man taken care of, and preference given in a case of that kind.

By Mr. Chevrier:

Q. How could you do that under the present regulations, unless the representatives of the soldiers were instructed that if the appointment was made by the Commission, in a case such as you mentioned, they could exercise their discretion? Otherwise, I fail to see where anybody has any discretion?—A. Some discretion should be given to them there after making due enquiries. In this case we have been referring to, at Saskatoon, I am quite sure they could have secured some opinions to enable them to appoint a qualified married man.

By Mr. Ernst:

Q. The difficulty is the Act. As I understand the Act, the disability man gets the position, if he is not re-established, irrespective of whether he is married or single. I merely suggested as some measure of compromise that in the case of a single disability man and a married ex-service man with family who is not a disability applicant that they might be ranked equally and judged on a comparative basis, the married disability man, of course, being given a preference over an unmarried man who has not a disability?—A. I would think, personally, that is all right.

Q. It does not meet the whole situation?—A. No.

Mr. Bowman: You might get a man who was receiving 90 or 100 per cent disability. He is getting sufficient for his position in life to carry on.

Mr. Ernst: You are getting into double amputation cases when you get 90 per cent.

Mr. Bland: Might I interject a point. There is another clause, in connection with disability preference, which I think has considerable bearing on this. That is, in addition to the man being in receipt of a pension and not being established he must also, under the terms of the Act, be unable to resume his pre-war avocation, and the practice of the Commission, in such cases, is to obtain a report from the department of Pensions as to the physical capacity of the applicant. I think there is an opportunity for scrutiny in that particular regard. In many cases where objection is raised at the present time it is because the man claims disability preference—claims he cannot go back to his pre-war avocation—and I think a strong scrutiny would in many cases prevent the irritation that results from that particular cause.

Mr. Bowman: I think it is something very important that should be cleared up by the organization itself.

By Mr. Ernst:

Q. It is something for the rank and file of the returned soldiers?—A. I think the returned soldiers, if you could get an opinion such as you suggest, would probably agree.

Q. Bear this in mind. If this Committee should make some recommendation, it practically will not be acted upon until next year, and there will be a loss of time in taking action?—A. Of course, there is another aspect of the case of disability and that is the placing of ex-service men in training, which, unfortunately, never seemed to have been very effective. That is to say, taking a man who could not go back to his pre-war occupation and really needed training in a new avocation, and the idea was to have some positions in the service opened up to these men, and in that way exempted from the operation of the competitive side of the Act, the man placed in training, and at the end of his period of training he would be examined and if qualified given a permanent status. That order in council never worked very successfully. In some cases it has, of course; but it has not really taken in any considerable number of cases. I think we have a resolution in regard to that particular phase of re-establishment.

By the Chairman:

Q. Now, is there anything else which you wish to bring before the Committee?—A. We have some resolutions regarding the merit system itself. As I said before, Mr. Chairman, the Legion has been a close observer of the operation of this Act and naturally have come in contact with the merit system and with other systems of appointments. We have two resolutions in that regard, the first one is that the Canadian Legion of the British Empire Service League endorses the merit system of appointment to the government service, as set forth in the Civil Service Act. We might discuss that in connection with No. 3, which refers to exempted positions. The Canadian Legion, of course, is wholeheartedly behind the merit system of appointments. I am not sure of the figure, but I suppose there are some 15,000 to 18,000 exempted positions. It is a very large proportion of the positions under the government service. We feel that that is not a very satisfactory state of affairs to have half the service on the merit system—at least a considerable portion under the merit system—and another large proportion on what must be regarded as under the patronage system. A great deal of dissatisfaction, we feel, arises among our own people from the fact that they fall between the two fires. They may be applying for a position and if it is going to be appointed on pure merit, all right, and if not they will find themselves up against the patronage factor, or the influence factor.

By Mr. Ernst:

Q. Could you enlarge upon that?—A. Naturally, with the interest the ex-service man has had in the Civil Service—our duty has been to educate them as to the manner in which they can secure appointments in the service. Now, we have had very great difficulty when the individual case comes up in the branch, explaining what is to be done. Of course, many of our branches understand perfectly well the situation. The Legion service is granted to all ex-service men, whether members or not, and we are constantly getting letters of complaint that in the exempted positions ex-service men are not given consideration. We cannot do very much about that in Ottawa. We simply tell them they will have to get in touch with the local patronage people, which some of them do effectively. That is to say, the relationships between the Legion and the various political organizations are reasonably good; but, at the same time, we are a non-political organization and we do not like very much having to deal in that way because it gives rise to a great deal of dissatisfaction. In some instances we get complaints that ex-service men are not given the least bit of consideration; in others, as I said, the relationship is fine. Through the merit system a man knows he is getting a chance; he stands on his own feet; he has something which he can do of his own accord to place his case He

makes application and he is reasonably satisfied that through the system if it is properly conducted, if he does not get the job it is because he has not succeeded and there are better men who have applied. That is quite satisfactory to most of our men; but, in the other way, it is something that causes great dissatisfaction among our people who are a considerable portion of the public, and, I presume, it also is of great dissatisfaction to the general public. In other words, it clouds the public mind on the general issue of appointments to government service. They do not know just exactly where they are at.

By the Chairman:

Q. Your view is, Mr. Herwig, that in the main where appointments are made under the Civil Service Commission and a returned man gets the appointment, there is no dissatisfaction among the other returned men?—A. Returned men, do you mean?

Q. Other applicants who have applied?—A. There may be dissatisfaction, but the dissatisfaction would be that of the person who really probably knows in his own heart that he has not succeeded; that is, his qualifications have not been regarded as sufficient to place him in the position.

Q. Mr. Herwig, when you see in the press that we are taking up individual cases, I would like you to come here and listen to some of the evidence that I am going to have subpeonaed, evidence by returned men in individual cases, and see if they express the same view.

By Mr. Bowman:

Q. Are we to understand from what you have said that in that portion of the Civil Service that does not come under the Civil Service Act, the returned men do not get a fair shake, or are those who are responsible for the appointments prejudiced against the returned man?—A. We have had this complaint from different parts of the country. Of course, here in Ottawa we have a very busy staff and the Civil Service, while it has a major interest, it is not the whole interest, and we have a lot of other things to deal with.

By Mr. Ernst:

Q. You have pensions?—A. Yes, pensions and so on. There is the responsibility in the matter of local appointments in the exempted positions. The branches complain very frequently about the treatment they are receiving. In other words, it is a reflection of what the general public would feel about patronage appointments. That is how we regard it.

By Mr. Bowman:

Q. But you also have complaints, do you not, with respect to appointments that are made under the Civil Service Act?—A. Yes; but what we are able to do then is to present the men with the facts. Under the Civil Service Act we are able to secure the facts regarding his application and present them to him. He knows then where he stood and why he fell down. We can usually tell the man exactly why he fell down in any particular competition.

Q. Generally speaking, to my knowledge, the returned soldier certainly receives the preference in the part of the country that I come from.

Mr. VALLANCE: That is why I asked that question, because he does where I come from.

Mr. ERNST: That is my opinion too.

By Mr. Chevrier:

Q. Do you have any complaints about Ottawa?—A. At times I have some.

Q. When was the last?

Mr. BOWMAN: That is not the point I am making; but there are complaints no matter whether they come from appointments within the service or not.

Mr. CHEVRIER: Quite so.

By Mr. Bowman:

Q. You appreciate this fact that there are many positions in the government that are necessarily temporary in their nature and cannot possibly be brought under the operation of the Civil Service Act, do you not?—A. I would not take that position entirely, no.

Q. I say there are many?—A. As I say, we are asking for all exempted positions to be brought under the Act.

Q. There are hundreds of positions and thousands of positions, part-time positions and seasonal occupations, that cannot possibly be brought under the Act, are there not?—A. I think they could; yes.

By Mr. Ernst:

Q. Let us take fishery guardians, for instance. They are on for three or four months each year, in the east looking after the rivers to make sure that poaching does not take place. Would you consider it possible to put those positions under the operation of the Act?—A. That would be a seasonal occupation.

Q. I cannot see how it could be brought under the operation of the Civil Service Act. I do know that when the departments send out word asking for the appointment of guardians they specifically state that returned men are to be given preference?—A. It could be done. I do not know what the cost would be, but I know these things could be done. That is to say, the applicants for the position could be examined; they could go before such a body as the Civil Service Commission or the officials of the Civil Service Commission and be examined and put in order of merit. In other words, select the best men. The way we see the Civil Service Commission is that they are the employment agency of the Federal service.

Q. I agree with you, but I think the cost of procuring applicants for appointment to seasonal positions like that would be prohibitive in proportion to the amount of work involved. I think you have to leave it to the judgment, after all, of the men; it devolves upon the judgment of the man who is representing the constituency in the final analysis, and if he misuses his position the public have a remedy against him?—A. Yes. That is true.

Q. Personally, I would be glad to get rid of the whole of it; I find it a curse?—A. Why could you not make use of the Employment Service of Canada in a lot of these positions?

By Mr. Bowman:

Q. Take, for example, the appointment of fire ranger and the positions to which Mr. Ernst refers, if you are going to send those down to Ottawa, how ar you going to get your appointments made. Even now with these smaller positions there are a great many delays. I know with regard to the survey parties that go out that in the matter of chain men and "cookees," an appointment of that kind is absolutely impossible, if you want to have these appointments made through the Civil Service Commission. As a matter of fact, some of them are supposed to go through the Commission and the approval has gone through often, in cases that I know of, after the summer's work is over?—A. Yes. I believe that has been done that way; but I think, Mr. Chairman, on this particular point, if some of the Civil Service officials could be questioned, they could probably give you some ideas.

By the Chairman:

Q. No. It is more important than that. You come here as a representative of the Legion. You make a very broad statement. If we allow that broad statement to go out publicly over this whole country then, obviously, this question is asked: Why do you not accept the representation of the Canadian Legion? Now, some of the members of this Committee are endeavouring to point out the difficulty. Let me give you another instance. We took on 650 temporary employees in the Toronto Post Office for the last Chritmas rush. You would not suggest that those men should all be selected by the Civil Service Commission, would you?—A. If the Commission had representatives in that city, I do not see why it could not be done.

Q. Do you realize the time it would take the representatives of the Civil Service Commission to interview probably 10,000 men?—A. Somebody must select them, surely.

Q. Yes, but they must be selected in time. Your Canadian Legion selects 50 per cent. of all the appointments in the ridings around Toronto, and about 80 per cent., of the 50 per cent. with which I had anything to do, were returned men. You cannot ask for a larger proportion than that?—A. We are very grateful. I am telling you the complaints we have received. I am not sure that I can necessarily uphold those complaints. I do not know that we have the information that would definitely settle a point of that kind, but we have received complaints from different parts of the country, not, perhaps as many from the urban centres as we have from the rural centres.

Q. You will appreciate our position. Do not think the members of this Committee are trying to discard your recommendations; we are probers after facts, and we are trying to get at all aspects of the situation?—A. Of course, we are referring to the smaller positions that Mr. Bowman has mentioned. They are purely temporary.

Q. Take the higher classes. Did you hear the evidence of Dr. Tory?—A. Yes. I heard some of it yesterday.

Q. Would you suggest, in view of the complaints that you heard here from Dr. Tory, that positions in the National Research Council of Canada should be selected by the Civil Service?—A. Well, I do not know what I would do. I do not see why they should not be, if you give them enough latitude. In the higher positions, of course, where special knowledge is required, I do not see why it should not be done.

By Mr. Vallance:

Q. Let me ask you two questions: Of the portion of the Civil Service that comes under the Civil Service Act, what percentage is being to-day filled by returned men. Take the Civil Service to-day—that is under the Civil Service Act—what percentage of the service would you say, offhand?—A. Well, I tried to get some figures in that respect from the Bureau of Statistics but they were not able to give me any definite figures beyond some on a survey they made in 1930 and these would be approximate figures. I think there were 40,000 people in the Service. Of these, 15,000 were returned men of all classes.

Q. That portion of the Service does not come under the Civil Service Commission?—A. Yes.

Q. What percentage would you say of these positions are filled to-day by returned men?—A. That is a rather hard thing to answer because I do not think there are any sound statistics.

Q. You gave me the impression that the portion of the Service that is outside the control of the Civil Service Commission—that the veteran is not getting a fair break?—A. Yes.

Q. I would say, from my experience, coming from one of the rural cities in Saskatchewan, they are getting a fair break. I would go further and say they are getting a better break than they do otherwise?—A. Yes. Here are some figures, Mr. Vallance, that were given to us in 1928 by the Civil Service Commission, which dealt with the exempted positions in the various departments. They have it under the heading of appointments. I presume some of these men may have been appointed twice, doing temporary work. There were 1,093 ex-service and 10,259 non O. S. appointed.

By the Chairman:

Q. That was in 1927?—A. From the 1st September, 1927, to the 1st September, 1928.

By Mr. Vallance:

Q. In the whole Service?

By Mr. Ernst:

Q. That must include all sorts of seasonal employees?—A. Yes. For instance, in agriculture there were 1,005 non O. S. appointed. Take labouring positions in the Experimental Farm—we often get complaints about the lack of ex-service men on those jobs. We have not got the time to investigate each one of these things. We simply write to the member or to the branch about that. As a general position the Legion does not like to have to do that because they fear they may get tangled up in politics, and I feel, if politics once got into our organization, we would cease to be.

By Mr. Vallance:

Q. Might I say the Legion are just political enough that they can enlist patronage for those who are doing the job. In Battleford, as a case where the patronage is, I would say that the returned soldier at all times has got the preference in those positions?—A. Very difficult situations arise sometimes in branches. One is a branch in Ontario; the president and the secretary applied for a job. The president was a better man and got the job but there was some objection to him. It turned out to be simply an interference from a political organization and this man was rejected and the secretary was appointed. You can just imagine what that does to one of their branches.

Q. You can imagine what it does to a political organization also?—A. The same thing. That is the reason we want to avoid that as much as we can. We would rather have the appointments removed entirely from patronage.

By Mr. MacInnis:

Q. I would just like to get it a little more definite. You would rather have all positions come under the Civil Service Commission because in that case you would get appointments according to merit?—A. Yes.

Q. And when you do have complaints from your members it is very easy to show the member who did not get the appointment the reason, that there was someone better than him, on equal standing, who got the appointment?—A. Exactly.

Q. Your general position is, you believe, the Civil Service Commission, as an employing agency, should be able to find a situation and have all departments equal, as good as any other organization or individual?—A. I think so. They have demonstrated that to our satisfaction.

Q. I am quite in accord with you. I cannot see any reason as a matter of fact, given proper scope and having the courage to carry out the provisions of the Act, I cannot see why that man had it any better than any other individual.

[Mr. J. C. G. Herwig.]

By Mr. Ernst:

Q. What you wanted, under the Civil Service Act, not because of the merit system but because of the preference system to returned soldiers— —A. I think I have tried to make clear in the first instance we did heartily commend the merit system. That is the only way it can be properly administered. There is a measure of self-interest in our attitude but at the same time we appreciate the position of the people of the country.

Q. It must be to combine merit with preference?—A. Yes.

By Mr. MacInnis:

Q. If there is a merit or a preference definitely in the Civil Service Act that would be implied in all other individual appointments. If they put it definitely in the Act it would assume to work then without being definitely mentioned in all other appointments?—A. It is mentioned in the Orders in Council which exempt from the Act. Naturally there is a measure of self-interest in the stand we take but at the same time our close observation of the merit system leads us to believe that is the only system that should be adopted in this country.

By Mr. Ernst:

Q. I do not see how you can make it a purely seasonal occupation without saddling the country with exorbitant cost?

By the Chairman:

Q. You said a few moments ago you were favourable to the administration under the Civil Service Commission because a member wrote in to you dissatisfied or having complaints. You had a body to whom you could go and make a protest, write back to the man and tell him why he had not got the appointment. I would like to know the extent to which you go in there and get the facts. Did you ever get the files and examine them yourself?—A. I frequently go down there and an officer of the Commission usually goes over the file with me. In some of the competitions where the advisory boards are held we have a representative on the board.

Q. Where you have a representative on the advisory board, in that case do you go and examine, when you receive a complaint, the Civil Service Commission files or do you write back and tell your man your Legion had a representative on the board, you would feel the case had been taken care of?—A. Yes, after the appointment has been made. On the advisory boards, where they are all more or less sworn to secrecy, we make sure ex-service applicants are given full credit for their qualifications, but after appointment we go into it with some detail with the men who complain.

Q. May I take it, when you receive a complaint from a man, a returned soldier, because he has not received some appointment, that you go down to the Civil Service Commission and personally examine the files yourself, or may I take it that where the Legion had a representative on the rating or examining board, you do not examine the file?—A. Where we are on the board, we usually know the factors which enter into the case of appointments. We are conversant with them and can usually speak from first-hand knowledge.

Q. In that case do you follow the matter up by looking into the file? Is it a matter of practice, or do you say to your member who has complained, or the returned soldier who has complained, that we have a representative of the board and we feel fairness has been done towards the returned men?—A. We cannot speak from first-hand knowledge unless we go to the Commission.

Q. When you go to the Commission, do you go to the Secretary or the Chief Examiner or whom?—A. Sometimes we go to the Commissioner. It is just a

matter of finding out the facts and using our own judgment as to how far the complaint should go, and passing the information back to the individual or branch.

Q. What I am very interested in is the extent to which you go in finding facts. Do you get out the files in relation to any particular competition and examine those files, or do you go down there and accept a statement from whoever you happen to interview on the Commission?—A. Sometimes we will get the files, and sometimes accept the word of the examiner.

Q. If I produce for you a file where the Secretary of the Commission wrote to one of your returned men who communicated with your organization and told that returned man he could not be considered because he was too late for the examination and then subsequently a special examination was set at a later date for a man, who ultimately got the job?—A. I think—

Q. That would be an instance where your organization did not look into the file carefully?—A. If we had received any intimation of that we would have gone hot-foot to the Commission.

Q. I did not know it myself, until I got the file and knew what happened. You would accept the word of the Secretary of the Civil Service Commission, telling you this man's application or qualification had come in too late to be examined?—A. I would have gone further than that. I would have taken that up with the Secretary, or the Assistant Secretary, and found out why, in that particular instance, they would do it. Late applications are received right to the last minute, when the board is sitting. We will consider late applications on these boards—I have seen late applications being presented while we were actually considering the others; not only that, but boards have been sitting, even to consider late applications, to my knowledge, as there might be a particular reason why the man was late. Of course, in the written test—

Q. This is not written. This is an oral case?—A. Was that an Ottawa case?

Q. No, Toronto.

By Mr. Chevrier:

Q. Are you aware of the terms of P.C. 1053?—A. That is the exemption order.

Q. Yes.—A. I do not recall it specifically now.

Q. Do you remember there is a clause in there following up the regulations under which positions are exempted. Section 59 of the Act shows how positions are to be exempted. You know under the provisions of this exemption the Order in Council was passed. Do you remember in it there was a question of the soldiers' preference?—A. Yes. I believe there may have been subsequent Orders in Council—I am not sure of this—in which other positions have been exempted, that have not specifically included the preference but we generally accept it as implied in all those positions.

Q. So that even for the exemption of positions the terms of the soldiers' preference must be observed. Under the exempted positions there are certain portions of the Service, of course, in Ottawa here like the Income Tax Division and the Soldiers' Settlement Board that are outside of the operation of the Act?—A. Those branches particularly we feel should come under the operation of the Act. Consider the Soldiers' Settlement Board, for instance: It is practically 95 per cent, I think it is, returned soldiers. They have spent their time overseas; many of them came into the Board immediately upon return and have seen service in the Government from ten to fifteen years. A lot of them went out last year; some of the men were long service; they had no superannuation; they had been civil servants for some time. Their cases are particularly hard in that respect.

Q. Do I understand you to say that 95 per cent. of the appointments are returned men?—A. There is 95 per cent. of that staff now returned men.

Q. That is not in the jurisdiction of the Civil Service Commission?—A. No, generally speaking. Of course, in the soldiers' departments the preference was 90 per cent., if not 100 per cent.

By Mr. Ernst:

Q. It is much better than the average. The average is about 40 per cent.—A. Those fellows go out with a comparatively small gratuity, although I believe they get a better gratuity than the average temporary. We might put in a word for those men who have been temporary. The gratuity should be paid on retirement, particularly so in the Soldiers' Settlement Board. There is one point in connection with the administration of the Act we feel that might be strengthened, that is the hands of the Commission might be strengthened; that has to do with the examination system on outside positions. We come into difficulty in that regard quite often, delayed exemptions. That is the case where a departmental representative is called to act as an examiner. There was a memorandum presented to the government some two or three years ago and I might read that to you.

> Under present conditions, the Civil Service Commission has been obliged to have a large number of its examinations at points outside of Ottawa conducted solely by officers of the various government departments, acting in the capacity of examiners of the Commission.
>
> Although there is statutory authority for utilizing the services of department officers in this manner, the Commission apparently has not the means of ensuring that a departmental officer conducting an examination will forward his report to them as soon as it has been completed.
>
> The examination process has frequently been delayed by some departments retaining the reports of their officers for periods varying from one month to a year or more and thus preventing the Civil Service Commission from completing the competition. In brief, the Civil Service Commission loses control of examinations in such cases.
>
> Investigation has indicated that the influences causing delay have been open to question and not conducive to the impartial conduct of an examination. This situation gives rise to a great deal of suspicion and uneasiness among applicants and the general public causing them to lose confidence in the integrity of the administration.
>
> *Suggested Remedy*—That the Commission be authorized to appoint two or three travelling examiners who would conduct examinations in places outside Ottawa. A representative of the department could be present but conducting an examination is a function of the Civil Service Commission and control of same should be retained in its hands. This procedure would eliminate delays and strengthen public opinion of the bona fides of the administration. In cases where it is necessary to utilize department officers as examiners, such officers should send reports direct to the Commission.

Q. What is your suggestion in that connection?—A. That the Commission be authorized to pay travelling examiners who would conduct examinations in places outside of Ottawa.

Q. That suggestion involves additional expense and it would not obviate the difficulty, to some extent?—A. If the examiner had to report directly to the Commission, I think we recommend that should be done.

Q. That is an alternative?—A. Yes.

Q. That is simply an opinion?—A. That is simply an opinion, an opinion expressed to us and I do not know that there are very many facts produced to support it, but in the case of a department officer there may have been some

influence brought on him, in which he gives certain individuals advantages. I feel that the Commission should control that, because they are not subject to such influence.

By Mr. Bowman:

Q. They do control it, as a matter of law?—A. As a matter of law, it is quite true, but that means expense to put it into effect or to enable them to have actual control of the examination.

Q. We have understood from Mr. Bland that the practice in these cases, in the vast majority, if not all the cases, to have the principal of the local collegiate, or high school, or public school generally to act as examiners?—A. In the positions of higher grade but there are a large number of smaller positions in which that is impossible.

By Mr. Ernst:

Q. I think Mr. Bowman is speaking of where there is no written examination. Take the appointment of a postmaster?—A. The only thing that happens in the post office, the inspector goes down and interviews the applicant and writes a report; particularly in post office reports, there is a feeling there has been a great deal of influence brought to bear, one way or other in the reports of these inspectors.

By Mr. Laurin:

Q. Since how many years? Always?—A. Yes, that is a very general complaint.

Mr. CHEVRIER: I do not think the depression is so strong to-day as it used to be.

The WITNESS: Some cases which come to our attention certainly show evidence of very bitter partisanship. That is usually the only objection that is being taken; an ex-service applicant may have no political affiliations or he might be just pushed aside, in order that somebody favoured by the party should be appointed. In a case of that kind the Commission cannot do very much because they get the inspector's report and they cannot depart from it. We get the inspector's report and examine it immediately and compare it with the facts we have of the case, and we write to the Commission and tell them the report we have of the man, and they write to the man, and if the man could discuss the facts for himself there would be some satisfaction in cases of that kind.

By Mr. Bowman:

Q. That would work out very well theoretically, if you have an examiners' department of the Commission to go all over Canada to make those examinations. It would seem to me a tremendous expense and absolutely unnecessary? —A. I think if that were done a great deal of expense which is incurred in the Commission at Ottawa here for their administrative expense, if they had men on the road, I believe their administrative expense would be cut materially because they would not have to do so much correspondence and delay in other ways; they do their business in a more business-like way based upon reliable information.

By Mr. Ernst:

Q. Your first complaint is the delay in many instance. The second complaint is that more or less, quite true, partisanship does not intervene in some instances?—A. In lots of cases we know it does because we have traced it down as far as it was possible to go.

By Mr. Bowman:

Q. You might have personal partisanship in the appointment as made? —A. That touches upon the very essence of the examination system.

Q. Quite?—A. And that would apply to almost any appointment you want to make. You are bound to rely on the integrity of the people carrying out the examination. We would have been quite satisfied with reports of the P.O. inspectors if in many instances we had not found we could not rely on their facts. I will give you an illustration: There was a young fellow in Quebec, an ex-service man. We can see from his letters and so on and the general set-up of the man and the references he has submitted that he is an excellent type of man. Now, he is one of the few returned soldiers in that particular district. He has been battling the fact that he was a returned soldier in that district. He had trouble with his neighbours, because he was a soldier, and it led to a fight and the returned soldier, I suppose, "planted" the other fellow. That happened some years ago. He is now an applicant for a postmastership; advanced as a reason why he should not get that postmastership is that he is a man of quarrelsome character and once brought before the bar of justice. He lost his temper, because these fellows were getting after him so much and had even gone to the point of wanting to pay somebody to beat him up.

By Mr. Bowman:

Q. Even the Commission would have to take cognizance of a fact like that? —A. That is put in the inspector's report and it looks very bad. You would think that that man certainly would not be the right man if you read the inspector's report.

By Mr. Ernst:

Q. If there was a conviction, I could see the difficulty of drawing the line. I do not think you could very well go behind a conviction in inquiring into the merits, once he is convicted?—A. We will say it was a conviction; it was used as a reason for the man not being appointed. There is nothing in the Civil Service Act which says a man convicted of a proposition of that kind should not be appointed. It might be considered as a factor, all right.

The CHAIRMAN: I know one particularly, where I defended the returned man for manslaughter and he was not convicted; it was a very easy defence in this case. The decision was that the man had not been guilty, but it would be a black mark against him, if he was even tried, and if the man was convicted for assault and paid his fine, whatever it was, he would be quite satisfied.

By Mr. Bowman:

Q. After all, an odd case of this kind would not prove any general situation? —A. I would not say they were odd.

By Mr. Ernst:

Q. How many would you have on your files at the present moment out of the total number of cases you have dealt with?—A. In the ordinary postmastership.

Q. I am taking generally speaking?—A. Generally speaking, I could not say. The difficulty with this is, of course, a case of that kind creates so much disturbance.

By Mr. Bowman:

Q. Just the same case we were taking a while ago with respect to a man getting disability, by way of pension?—A. Precisely.

By Mr. Chairman:

Q. Have you any idea as to what percentage of cases investigated are well founded?—A. They usually come in bunches. After an election there is usually something of that kind.

By Mr. Ernst:

Q. The blood runs high?—A. What I am saying applies to all parties, of course.

The CHAIRMAN: I was thinking particularly of after elections.

Mr. ERNST: He said "all parties" including Labour.

The CHAIRMAN: We have not had a Labour government yet.

The WITNESS: While we are on the same subject, I suppose we might deal with the resolution on political partisanship, dismissal for political partisanship. In a general way, so far as the dismissals for partisanship are concerned, we do not think the man's livelihood should be dependent on the say so of one man in such a matter, and we suggest putting political partisanship out. In our resolution, of course, we ask for an investigation by an independent commission.

By Mr. Ernst:

Q. Rejections, you are talking about?—A. No, discharge for political partisanship. In regard to the Commission inquiries we have had several complaints regarding those. It seems that in some instances the complaint is that in each instance a prominent person or a person affiliated with the party presently in power gets the appointment and the man does not get really a fair show, and in that respect I think perhaps the only way to bring that to your attention would be to submit one or two reports we received. I remember one rather curious letter, a lawyer in Nova Scotia —he was a Conservative, who had been defending a returned soldier, who was under such charges. He explained the situation. The charges were so and so. In the last paragraph he says, "As a member of the Conservative party, he feels this man should go because he is a Liberal," but as a defender of the individual, he could see no evidence at all.

The CHAIRMAN: I do not think you need submit to us any specific cases. We are familiar with the situation and, frankly, what this Committee has to consider is the improving of the position which now exists, that a member of parliament, who is the elected representative of the people must have the responsibility over his own signature in making an accusation of political partisanship which results in dismissal in certain cases.—A. We feel, in that respect, the burden should not be placed on the member because there is room for error in that respect. Since a man's livelihood is at stake the facts should be brought out in a proper manner and he should have an opportunity to defend himself.

By Mr. Ernst:

Q. When it comes to that question there are scarcely any cases that do not have to be investigated by the Commission, of whom you have just spoken?—A. I have a case in mind of an Indian agent in Saskatchewan who was dismissed for partisanship. I think he was a full-time agent and those charges had been laid in that specific manner, I understand, and this man was able to produce evidence from every political organization in the district that not one of them knew of any partisanship he had indulged in.

Q. Was that case investigated by the Commissioner or not?—A. No. We asked for an investigation in that case and it was not granted and that man could not get his superannuation back. This fellow was a returned soldier, with three children.

Q. When a man is under ten years he may return it or he may keep it?—A. At that time I think a man being dismissed, was not allowed to receive his payments back. There were quite a number of cases in the higher grade positions where that has occurred, and if you have not any of these I would like to submit one or two for your consideration. There was one case in Nova Scotia that was on the recommendation. It was only after we had made pretty strong representations that an investigation was granted. It seems to me the type of evidence that is brought out in a case of that kind is not even reasonable. I think there was one case in Quebec, and the charges were that this man had invited somebody in to listen to an election speech over the radio and the basis of the charge was that they were listening to Liberal speeches.

By Mr. Laurin:

Q. Do you live in Quebec?—A. No.

Q. Because I note you use many illustrations from Quebec?—A. In this particular case, we have the copy of the transcript of the evidence. That is another complaint that has been made; there is very rarely any transcript of the evidence made, and the accused does not have a chance at all.

By Mr. Ernst:

Q. The point is, you would like to see a different system?—A. Yes. We had an experience—our B. C. Provincial Command had such an experience. There was an ex-service man there, rather prominent in the Service, who was dismissed presumably for that reason and they obtained a hearing before the courts in B.C. and, of course, the charges were not sustained.

By Mr. MacInnis:

Q. It was a Royal Commission, in the case of Watts, in Prince Rupert?—A. Yes, I think that was it.

The Chairman: I think we know the principle that was involved in that thoroughly.

The Witness: I think I have gone through everything excepting the question of layoffs, and we feel we should bring it to the attention of the Committee. We feel that preference has been given. This will also be extended, when layoffs are the order of the day, as they are just now. In other words, the government has expressed itself as giving preference to the layoff, retaining the returned soldier in preference to others. It has been pointed out, and we agree with it in principle, that no reference was made to disabilities. If anybody should be retained in the Service, provided the efficiency factor is considered, the disabled man, and particularly the married disabled man, should be left. There are many instances in which that has not been carried out. We have received quite a number of complaints of men who are losing their jobs and naturally do not want to do so, and we feel some influence on the part of chiefs has been exercised and that the preference has been neglected. We have some cases where that has been changed. This is more or less under investigation at present.

By the Chairman:

Q. There is one thing rather important. You make a recommendation that Section 24 (1) should be amended?—A. I think that has already been referred to by the Commissioners; in so far as our experience is concerned, we know of a lot of cases, quite a number of cases, and I think the same thing would apply in this instance as it does to all charges and complaints. While we could not produce any figures to show it was widespread,—while we do not think it is widespread, the cases that occur are very disturbing. We have had cases of ex-service men being rejected merely on the ground of unsuitability.

By Mr. Ernst:

Q. How long have you been secretary?—A. I am the adjustment officer, who has Civil Service matters in his charge. I was with the headquarters of the G.W.V.A. in the early days.

Q. In that capacity, in Ottawa, doing that same work?—A. Yes, since 1920.

Q. What steps do you take in the case of a rejection by a departmental head after a certificate has been granted a man by the Civil Service Commission?—A. As soon as we are aware of the rejection we get in touch with the Civil Service Commission and ask them to withhold any further action until we have a chance to present the case of the returned soldier, and we supply the minister with a copy of the representations.

Q. Do you take them up with the departmental head, when a case of that kind occurs?—A. We usually go to the minister in a case of that kind.

Q. I do not know whether you remember specific cases. I have a number in my hand at the moment covering from 1925 to 1931 inclusive. Do you ask the reasons for rejection?—A. Yes, we assert the position of the returned man as being duly qualified. There was a postmastership in New Brunswick and the reason was there was a married woman, with some children to support, who should get such a position, and the minister felt he was quite justified in rejecting the returned soldier in favour of the lady. We were quite prepared to accept a reason of that kind, when the economic factors were told us.

Q. Before whom the returned man will invariably give way?—A. However, the woman was running a good general store and most of her children were married. She also had money in the bank.

Q. I was wondering generally where rejections are brought to your attention, just how far you go in following a case of rejection. Suppose you get an answer "unsuitability," what do you do about it?—A. We ask the Commission to withhold any further action so no further action will be taken to get the minister or the department to change its mind, assuming the Commission does not withhold its hand and the appointment is made, and after that we make a protest to the department, to the minister invariably.

Q. In the form of a letter?—A. Yes.

Q. And that is the end of the matter?—A. Not always. Sometimes we make representations.

Q. Representations of what kind?—A. I go to see him, interview him.

Q. Let us assume you have the interview. You still get the answer "unsuitability," then what do you do?—A. We cannot do anything further.

Q. Do you do anything further?—A. We just have to let the matter lie there; no action can be taken in the matter.

Q. Do you go to anybody and try to have the matter brought up in Parliament by some person responsible?—A. As far as we are concerned that is a matter the man himself must determine.

Q. It is not your policy to antagonize the powers that be?—A. During Mr. Veniot's time there was quite a racket in the House about postmasterships. That is just illustrating the point. We had no hand in that at all. We saw Mr. Veniot and we told him we wanted these things cleared up, but it was not our policy to embarrass the administration in any way.

Q. Even when you thought rank injustice has been done the returned soldier?—A. We cannot thrive on racket all the time.

Q. Let me give you year by year: In 1925 there were 15 returned soldiers rejected, 3 of them without trial?—A. Yes.

Q. Most of the reasons appear unsatisfactory. There was a sub-collector of customs and excise rejected without trial. Would you make any investigation of that case?—A. If the case was brought to our attention we certainly would badger the department about it.

Q. When the appointment was made you would simply wash your hands? —A. No. We would proceed the same as in pension matters. If we get a difficulty in a matter of that kind we put it aside, to make representations at the proper time.

Q. You leave it in abeyance, to bring it to the attention of a Civil Service Commission like this, when it sits?—A. Yes.

Q. You do not stir them up. I find 3 rejected without cause in 1925; 19 rejected in 1927, 14 without trial?—A. I might say that was in the only Department in which there is much trouble at all.

Q. I mean how far does the Legion follow the matter out?—A. We leave it until we get to a point like this, where we can air our views.

Q. In how many cases did you succeed in getting the minister to change his mind?—A. We succeeded in one case recently. In a general way, no.

Q. Generally speaking you do not?—A. Generally speaking, we do not, no. We usually find, when there there is a political issue, say a local political issue, of the matter, that the politician will press it very hard indeed.

Q. In 1927, 28 men rejected; 7 without trial. Lightkeeper at Drew's Head, New Brunswick; no reason given, except another candidate was offered but was subsequently not required as a non-resident of the district?—A. I do not think that came to our attention, that particular case.

Q. I find another one, health, physically unfit?—A. If there are good reasons we do not object.

Q. Another one "department does not consider it in the best interests of the Service." In 1929 there were 25 rejections, 11 without trial; in 1930, 18 rejections; in 1931, 21 rejections, 12 without trial?—A. You must remember in rejections—

Q. I am talking of returned soldiers only?—A. You might take this from our experience: I might make the statement that we have never tried to force any case of service men into the Service. It would be foolish to do it. Suppose we had forced a man in, that man's life is not going to be very happy. Suppose rejection comes from the Department, a reason is given which we might regard as not being a satisfactory reason—nevertheless we succeeded in getting him in against the department's wishes. He will either lose his job very soon or his working conditions are unhappy.

Q. Take another one. I see in 1931 the reason given "department states candidate not entitled to disability preference" after the Commission found he was?—A. I am not familiar with all the reasons. I am not familiar with all the different cases. I have some cases in mind, of course, where the rejection has been made we think for insufficient or improper reasons. There should be some check-up of the department's reason.

Q. I find again in other cases age had been given as a reason and had been concurred in by the Commission, in spite of Section 30 of the Act. When you get a rejection like that, do you follow it up?—A. When you get a rejection for age there is always a complaint made. Age is, of course, a difficulty which will become more prominent as we get older. A returned soldier, in spite of the age, is supposed to get into the Service without a question of age. It is a factor which can hardly be avoided.

Q. I am assuming a case where the Commisison grants them the certificate. They tell us, in their opinion, he is able to perform the duties of the office in accordance with the provisions of Section 30?—A. We take the case up with the department.

Q. Have you ever taken such a case up with the Commission?—A. I do not recall having taken such a case up with the Commission.

Q. Have you ever taken up with the Commission the question of age in returned soldiers so as to get their views with respect to Section 30?—A. Yes, in specific cases.

Q. To find out as to what were the views of the Commission in respect to age?—A. I think generally speaking this would be the stand; this was our stand, and the Commission did not agree with it.

Q. What I am interested in, has the Commission ever expressed any view to you in individual cases?—A. Yes.

Q. What views?—A. That as long as ex-service men or women are physically capable of performing the work, possibly not over an extended period of years, that person should be given an opportunity of doing it, if he or she is qualified. That is the general principle.

Q. I am perhaps wrongly informed, but age is not pleaded by the Commission as a bar to the issue of a certificate, but it is a good cause of rejection on the part of the department. Have you experience of that?—A. Yes.

Q. With the Commission itself?—A. No, not with the Commission.

Q. I am informed the Commission takes the view, as taken by the department in specific cases, that although they grant a man a certificate as coming within the provisions of Section 30, over the age limit, but able to perform his duty, and likely to be able to perform it for a considerable time, yet the department may reject by saying he is over the age limit. Have they ever expressed any such view to you, that the department had a perfect right to point out that the returned soldier is over the age limit as a cause for rejection?—A. No.

Q. And that they concur?—A. No. I would say in the majority of cases we have taken up, they agree with us that the reason is "not suitable".

Q. I am asking you in the case of age?—A. No, they have never advanced that view that age is a satisfactory reason for rejection in the case of a returned soldier.

Q. Although they have never expressed the view, do they concur age is a satisfactory reason to reject?—A. Not to us, not to the Legion. For instance, take nursing sisters. We have a lot of nursing sisters unemployed around the country now and it is, of course, a difficult matter for them to carry on and they naturally turn to appointments in the government service. Take the department of National Health. At one time they were strong opponents of appointing anyone over 35. There were a considerable number of people over that age and people who, as far as one could see, were able to perform the work for a very considerable period. I think we were able to get the department to modify its view to some extent.

Q. I was interested in whether the Commission, or any of the Commissioners, expressed to you any view with respect to rejection on the ground of age?—A. No, any case we have presented in that regard they have agreed with our point of view.

By Mr. MacInnis:

Q. The first thing you do in taking up a case of this kind is to try and get their definition of "unsuitable"?—A. We try to find out what the real reason is, of course.

Q. If you are satisfied with that, you go no further?—A. I would say invariably we do not get a reason. Either our letters are unanswered or in the majority of cases no sound reason based on facts is given. Usually silence is the answer.

The committee adjourned until Thursday, April 7th, at 11 a.m.

HOUSE OF COMMONS,

APRIL 7, 1932.

The Select Special Committee to inquire into appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 11 a.m., Mr. Lawson presiding.

G. J. DESBARATS, called and sworn.

The CHAIRMAN: This Committee is inquiring into the Civil Service Act, its administration, and we were desirous, first, of asking different deputy ministers to come here and let us know if they cared to make any representations to the Committee as to amendments which might be made to the Act, or changes in the regulations, or administration, and so forth, which might be made for the betterment of the Service. Then some members of the Committee had some specific matters on which they wished to get information; first, as to the general aspect of the situation. Is there anything you would care to submit to the Committee?—A. I have not prepared anything of that kind. The Civil Service Act, as far as I am concerned, is working along in a very reasonably satisfactory manner. The Act, as it stands, is certainly a great improvement over the Acts as they existed previously. The appointments, on the whole, are good. The routine appointments are quite good. Our relations with the Civil Service Commission in our department are satisfactory and friendly; we get along well with them; we find a spirit of co-operation, and we have no complaints to make as to the general working of the Act. The system of appointments works well. The only criticism I have to make of that, would be the delay that frequently occurs in getting appointments made and the necessity of departments making temporary appointments and holding them quite a long time until the permanent appointment can be made.

In the case of promotion, we have generally found that the Commission was quite prepared to take the recommendation of the department. I think it is natural, where a department is looking to improvement of its personnel and of its administration, in the ordinary course, to make reasonable recommendations for promotions and changes in classifications. In questions of organization, so-called, I think the clause giving the Commission power to reorganize is practically a dead letter.

By Mr. Ernst:

Q. A dead letter?—A. Yes, so far as any practical results are concerned, and merely results in holding up the work of a department.

By the Chairman:

Q. Excuse me. It results in holding up the work of the department?—A. Yes.

Q. Let me see if I grasp that. You say the present clause results in holding up the work of the department, or any attempt to organize would hold up?—A. The attempt to organize.

[Mr. G. J. Desbarats.]

Q. Is that because of the inconvenience caused to the department by some person outside the department going in to investigate the system in order to determine whether or not there was efficiency, in their opinion, or what?—A. There are two reasons. If the department wants to organize a branch, or a section, it studies the question; it knows the conditions thoroughly and it will put forward a proposal. My proposal is the department's proposal, not that of the Civil Service Commission. The Civil Service Commission will thereupon send an investigator into the department to look it over. The investigator maybe a young man who has passed his examination, has been appointed investigator. He has, as a rule, no administrative experience. He has a certain theoretical knowledge, by rubbing up against a Deputy. I might say, as a rule, one particular investigator is allotted to one, or two, or three departments and in rubbing up against and talking with the officials, he acquires a certain knowledge of a department, and, if it is a question of merely classifying one individual, he converses with officials and finds their views, and the reasons for the change in classification. That is fairly simple. If there is an important reorganization then this man, whose knowledge of the department must be superficial and whose expert knowledge of it is very small is not, as a rule, competent to dictate what the organization should be. He may find fault. He generally does, with some detail, and the result is that the organization is held up for quite a long time sometimes, and the officers,—the department—may suffer from that because the intended organization does not go into effect. That is the main clause which, I think, might be improved.

Q. Excuse me just a minute, before you leave that, Mr. Desbarats. Is your view, then, that matters of organization, or reorganization, of the departments should be left entirely in the hands of the deputy minister or somebody under the direction of the deputy minister?—A. I think we get the best results that way.

By Mr. MacInnis:

Q. Would you say that the Organization Branch of the Civil Service Commission is rather weak in personnel at the present time?—A. I do not think I want—

By the Chairman:

Q. To express an opinion?—A. To express an opinion, not personally, but I think in the nature of things the men who are appointed and the salaries they are paid—you cannot expect them to be expert on organization or to put in an organization in a big department. You need a man with wide experience, you need a man with a thorough knowledge of the department. Now, I do not see where we could get that, except under experts outside the Commission.

By Mr. Ernst:

Q. I suppose you would feel you would need a man with military or naval experience as well, would you not?—A. Not necessarily. It depends very much on what the reorganization was. Our department is peculiar in that way, that the civilian element is not the dominant element in the department. We have about 1,800 employees in the department.

By Mr. Ernst:

Q. How many, did you say?—A. Eighteen hundred. We have some 5,500 naval, and military personnel. So that the military side is very much larger than the civilian, and any organization to be made in the civilian end must necessarily take cognizance of the military needs, but when you are reorganizing an accounts branch, you do not need very much acquaintance with the military end.

Q. Would you mind telling the Committee who the investigator is that is assigned at your particular department?—A. He is a gentleman by the name of—well, now, I do not remember his name.

By Mr. Bowman:

Q. Could you tell us, Mr. Putman, who is particularly charged with National Defence?

Mr. PUTMAN: Mr. Cole.

The WITNESS: That is not the gentleman we had recently.

By Mr. Bowman:

Q. Mr. Boutin?—A. Now, the gentleman who came down to investigate us was a gentleman engaged once as a junior clerk in a branch of our own department. I do not think he was competent to reorganize that branch.

By Mr. MacInnis:

Q. Would not that signify a weakness in the Organization Branch of the Civil Service Commission, if they send you an inexperienced, weak man to do the job?—A. I do not think he was exceptionally weak. I think he was a bright young man. He was without wide administrative experience.

Q. That is what I had in mind. Possibly the word was not well chosen?—A. Possibly.

By Mr. Ernst:

Q. What would Mr. Boutin's work consist of, when he was in your branch?—A. I think he was in the naval end, accounting, and in that work he had to do bookkeeping, entering up accounts.

Q. Ordinary bookkeeping?—A. Yes. He had no administrative work. He was under an officer himself and he did routine accounting work. He was a good man, I will say; he was quite good.

By Mr. MacInnis:

Q. A person that would be competent to do reorganization work of that kind would not necessarily need to have an understanding, that is, an intimate understanding of any department, but he would need to have a wide knowledge of organization work?—A. Quite so; and he would also need to have a pretty good knowledge of the department. He would have to study it very carefully, if he was going to make any wide organization. I have had experience in three or four of our big departmental organizations and I have had to deal with firms, firms of high national experience, who were brought in to advise, and I found that they had great difficulty in adapting their experience of commercial organization to conditions of government administration. They found that the methods which were excellent for commercial purposes did not fit in with the requirements of a government department. A great many of their recommendations would be very good. Some of them would be quite difficult, if not impossible, to apply in a government department.

By Mr. Ernst:

Q. I think that is quite understandable, because they have information on civil affairs, but those are different from relations to the public?—A. Yes, when you are reporting the department you are reporting to a large public. You have to keep your records generally in an entirely different way and do a great deal of organization which, in commercial organization, one would not attempt to do.

Q. There are checks and rechecks which do not exist in commercial business?—A. Yes.

By Mr. Bowman:

Q. During the period from 1925 to 1931, you did have a reorganization in your department. There was an amalgamation of three departments?—A. Yes, there was an amalgamation of three Departments in that service; the Naval Service, the Militia Department and the Air Board. They were brought together and fused.

Q. At whose initiative were they brought together?—A. The Government's initiative. It was a thing which had been mooted for quite a few years. It was after the election of 1922. You gentlemen are more familiar with election dates than I am, perhaps.

By Mr. Ernst:

Q. That date is a little bit premature for some of us.

By Mr. Bowman:

Q. 1921. Was that reorganization looked after by the Civil Service Commission, or was it attended to in your own department?—A. It was both. At that time, I was deputy minister of the Naval Service Department, and, when the departments were brought together, I was appointed acting deputy minister of Militia, in addition to the Naval Service, because it was some time before the actual bringing together of the departments was authorized. In the meantime, the Civil Service Commission was asked to prepare a reorganization of the civil branch, and they prepared a list, which went to Council and was approved. I might say that was really before I took over the Militia department. That was approved. The departments came together. That reorganization was never put into effect. It would not have worked; it did not take into account a great deal of the work that had to be done. It was too theoretical, if I might say, in practice; and after a few months the department drew up another reorganization.

Q. The department itself?—A. The department itself put one forward to the Commission. The Commission approved it.

Q. With any change?—A. Not that I remember, and it was put forward and an Order in Council was passed and the department works on that. Since that time, necessarily, there have been amendments from time to time. When you bring three departments together like that you have to work out your salvation and adjust yourself to consider actions that occur from time to time.

Q. It is within the department itself?—A. It is within the department itself. Since that time we have not had any nature of reorganization, except two years ago when we reorganized the accountants' branch. I might say the department had been anxious to reorganize that branch for some time, and the minister considered it would be an advantage, if we might get the advice of a prominent firm, and he called Mr. Scott, who at that time was vice-president of the Audit—

By Mr. Ernst:

Q. A Montreal firm?—A. It is a prominent firm; P. S. Ross and Sons.

Q. Gordon W. Scott?—A. Yes, and he came into the department with a staff of assistants and he spent a few months there. They visited all the branches. They discussed matters with all the officers; they got their views, and they put forward an excellent report, in which they expressed their various recommendations.

By Mr. MacInnis:

Q. Did you consult with the Civil Service Commission at that time?—A. No.

Q. This was done without any consultation with the Commission?—A. Yes.

By Mr. Bowman:

Q. Why?—A. We were looking for advice from an outside firm, a firm that would give us a commercial view. The minister, and his officers, thought they would like to get the situation reviewed by an outside party.

Q. Were you looking for expert advice when you brought in P. S. Ross and Sons?—A. Yes.

By Mr. Bowman:

Q. Were you looking for what you said previously, somebody with administrative experience and not theoretical knowledge?—A. Largely. The minister wanted to be sure he had a good organization in his department. If there were any weak spots, he wanted them exposed. He wanted to know.

Q. For that purpose, he went to an outside firm?—A. Yes. May I say that Mr. Ross, at that time, was the vice-chairman of the Audit Department—I have not got the correct term—it was an audit committee of Government that were charged, in a general way, with an oversight of the financial operations of Government.

Q. Would you think that Mr. Boutin, to whom you have previously referred, would have been a man with wide enough experience to have superintended this re-organization to which you have referred? You have no hesitation in saying that?—A. I have no doubt—

Q. Admitting, as you have already admitted, Mr. Boutin is a smart, clever young man but lacking the necessary experience?—A. I do not think it would be fair to compare Mr. Boutin to that class of man.

Q. I have not got that in mind at all.

By Mr. MacInnis:

Q. Under the Civil Service Act, as carried out, it falls on the Commission to organize the various departments?—A. Yes.

Q. Did the Commission ever approach your department with an idea of re-organization?—A. I have never had any initiative, any move on the part of the Commission to that effect. When a proposal has been put out from the department, no suggestion of a change in organization has come from the Commission.

Q. Then would I take from that, as long as there was no suggestion from the department, that the Commission should take charge of that organization, it was quite satisfactory?—A. That is my experience.

By the Chairman:

Q. May I interpose: Assuming that the Commission came to you, as a deputy minister, or a member of a department and said, "Now, in order that our Organization Branch may be thoroughly familiar with the affairs of your department, would you have any objection to taking one of our men in there, under your direction, and let him work for four of five months, so that he may thoroughly familiarize himself with the department"—would you have any objection to that?—A. I do not think so.

Q. Thank you.

By Mr. Bowman:

Q. Referring again to Mr. Boutin: The very fact that he had occupied a junior position in your department would hardly give him the confidence of the higher officials of the department, in a matter of re-organization, I would say? —A. It certainly would not. There is no doubt about that, but I do not think we looked up—I would put Mr. Boutin on a par with the other investigators who came from time to time to our department.

By Mr. Ernst:

Q. In other words you think he is equally as good as other investigators from the Organization Branch?—A. I think so.

Q. To put it the other way, they are all equally bad.

The CHAIRMAN: I think it is obvious Mr. Desbarats does not wish to criticize any investigator, simply the man was not equal to the task.

Mr. ERNST: Simply he had not the experience.

The WITNESS: He had not the experience, and the other men who were occupying positions of that kind were young men, able men, if you wish, but still within the limits of their experience and their knowledge.

Mr. BOWMAN: Mr. Putman has quite frankly admitted his branch is very small and certainly not large enough to handle any general scheme of organization which he thinks is necessary.

Mr. MACINNIS: This is somewhat of an observation rather than a question. In asking these questions of the witness, I did not wish to belittle the Organization Branch of the Civil Service Commission. The point I wished to draw out, there was an Organization Branch and if the personnel were merely accountants and men of that business character I do not see why it should be continued. It would be better, from my point of view, either to go outside and get expert advice from private firms or to build up in the Civil Service Commission itself an Organization Branch that would be expert.

By Mr. Ernst:

Q. I was going to ask Mr. Desbarats—I some time ago asked some of the witnesses whether they did not think you would get more effective reorganization, or a more effective Organization Branch, if it were placed under the direct control of the Treasury Board rather than under the Civil Service Commission. Can you express any definite opinion on that, as deputy minister?—A. I do not think you would get very good results.

Q. You think that the intiative really will have to come from the department concerned?—A. I think so.

Q. Let us put it this way: If the initiative came from the department concerned to the Treasury Board and the Treasury Board designated who was to go into the department's affairs in the reorganization, do you think it would be better than the present Organization Branch?—A. I think a constant check on the department on minor reorganizations is useless.

Q. Useless?—A. Yes, if the department gets into bad shape once in a while, through lack of organization, from defective heads—it will get into bad shape. Then you may get results from calling in a body of experts, but they have to be experts.

Q. You find that?—A. Yes, as far as ordinary organization of a department is concerned, the department is far more able than any ordinary outside body. Now, may I give a personal regression, or history?

Q. Yes, go right ahead.—A. Perhaps I might as well finish with the Scott Commission: The Scott Commission, after three months, gave an excellent report. I call it excellent, because most of their recommendations were recommendations the department wished to put forward and which we discussed with them. After I had discussed conditions with them they said, "Well, now, there are conditions we do not know and we are not prepared to insist on certain recommendations," but later they put forward a very good alternative recommendation. The department drew up the plan to reorganize and went to the Commission with it. The Commission sent Mr. Boutin down at first and we asked him if he would put forward an organization scheme. He could not. I did not expect he could. Nevertheless I told him, "The Commission is charged with reorganization. Will you come in and reorganize

this branch? We want it reorganized." He said, "What do you want done?" I said, "I want the Commission to do something." We did not get anywhere with that; so I said, "Here is our proposed organization." He took that. There was one point—it was a moot point; it had been discussed, and there were two views in the department, one was as to whether the stores audit should come under the Accountant or not. Boutin took that up for months; it was over a year, and the only suggestion he made was that we should adopt the other alternative for that particular purpose, and after a little over a year the Commission agreed with our recommendation. It went to the Treasury Board; the Treasury Board passed it. Then we were getting into different financial conditions and there was a proposal to transfer the accountants' branch to Finance. The appointments were held up. Now the department had not waited for the approval of these proposals; they had made the reorganization; that is, they had shifted their personnel. The reorganization consisted largely of doing away with the Pay Corps and putting all the accountants' work under one branch. The effect was to increase our civilian expenditure and the scheme put forward to the Commission really meant an increase of expenditure. On the whole it meant a saving to the department of about $50,000 a year gross, because it meant pensioning off a number of officers who were drawing salaries. Nevertheless it meant very important economy. The department proceeded to pension a number of officers; they shifted the men in the civilian organization; they put in some temporaries and a number of men have since that time been doing much more important work than they were doing before. They are still drawing their old salary. I think that is about three years ago. Now, if the department alone had made the organization of the audit it would have been done right away.

Q. What is that?—A. If the department had the power to do that reorganization.

Q. With the approval of the Commission?—A. It would have been done long ago and the men would have enjoyed their increased salaries, resulting in increased work and increased responsibilities.

Q. How long did it take Mr. Scott and his associates actually to do the work?—A. He may have been three months or so in the department.

By Mr. Bowman:

Q. It was a very very important reorganization for your department?—A. Quite.

By Mr. Ernst:

Q. And then the Commission's Organization Branch came in, and Mr. Boutin too, representing it, came in and after a year, over a year, made practically no change in the suggestion?—A. Practically, no. I was going to revert to a much older case. That is when I was deputy minister of Marine and Fisheries. I took over that department as a result of a Report of the Royal Commission to inquire about the Public Accounts, which showed the department to be in very bad shape, and that is a case like where I was saying to the Committee it would be an advantage to bring in a body of experts to go over a department. The minister of that day got in a firm of New York accountants, who had a branch in Montreal. Their specialty was organization, and they worked for months in that department. It cost the government an awful lot of money, they putting forward a very complete scheme of bookkeeping and accounting. I have a copy of it in the shelves of my library. I think that is about all the good it did. After I was appointed deputy minister, I proceeded to reorganize the department, to get it into shape. It had been pretty bad. One man shot himself; four or five men disappeared. It was about as bad a situation as you could get, but it was handled, finally, by departmental order.

By the Chairman:

Q. It was a matter in that case of "making hay slowly"?—A. Yes.

Q. Just reverting, for a moment, to the comparison some members of the Committee made in connection with Mr. Scott's reorganization. Did Mr. Boutin have some other representative of the Organization Branch of the Civil Service Commission with him; would he be working alone, or would he have a staff to assist him?—A. As far as I was concerned, he was alone. He may have had assistants.

By Mr. Ernst:

Q. I take it it is your judgment that where a major reorganization is necessary and assistance is desired by the department outside of its component personnel, that assistance should take the form of some outside experts?—A. I would think so, but I would think that that would only be necessary in exceptional circumstances.

Q. In major cases?—A. Yes.

Q. And that for routine reorganization the Commission's Organization Branch is practically useless to the department?—A. I think the department is far more expert and has far more knowledge on the subject than the Commission can possibly have.

By Mr. Bowman:

Q. He said, before, their check of minor matters is practically useless?—A. Yes, minor matters are far more easily handled by the department.

By Mr. MacInnis:

Q. Is it not possible the deputy minister might be a very good deputy minister from certain points of view and not be a very good business organizer, in his own office?—A. Well, he should then not be a deputy minister.

The CHAIRMAN: It is one of the qualifications required of a deputy minister.

By Mr. Bowman:

Q. Going back for a moment, Mr. Desbarats, to the matter of organization, the main connection with the Commission is in the matter of appointments and promotions?—A. Yes.

Q. Dealing with the matter of appointments, I note, in going over the correspondence passing between Mr. Bland and Mr. Brown, with respect to the appointment of caretakers—I will just refer to some of these letters in their order. Under date of December 30, 1926, there is a letter from Mr. Brown, who, I presume, is your assistant deputy minister, to Mr. Bland, as assistant secretary of the Civil Service Commission. It reads as follows:—

DEAR MR. BLAND,—

With further reference to our telephone conversation this morning, I am sending you herewith a list of re-appraisals of positions during the last eight months,* showing the time lost between the date of the Order in Council, the date of the position list, and the date of the promotion certificate, respectively. You will see from this that the average time lost between the date of the Order in Council and the date of the position list is twenty-one days.

I am sure you will agree with me that no time whatever should elapse between the date of receipt of the Order in Council in the Commission, and the date of both the position list and the promotion certificate.

If, as I understand, the delay is due sometimes to the supposed necessity of obtaining the signatures of the Commissioners, I would suggest that there should be no necessity whatever of the Commissioners signing or approving these subsequent routine papers, viz., the position list and the promotion certificate. These papers merely give effect to the decision already made by the Privy Council, on the recommendation of the Commissioners; and consequently are purely routine, and require no active discretion or authority. Consequently, it surely should be competent for any subordinate, dutly authorized therefor, to issue these papers.

Yours faithfully,

H. W. Brown,
Assistant Deputy Minister.

C. H. Bland, Esq.,
Assistant Secretary,
Civil Service Commission,
Ottawa.

* For List of re-appraisals: See Appendix "F."

There is a subsequent letter under date January 7th, somewhat along the same lines, but dealing specifically with caretakers. Might I just read a paragraph or two from that letter between the same parties. It is dated January 7th, 1927:

Dear Mr. Bland:

As I have already explained to you this morning, I have been looking into the procedure followed in connection with the routine extensions of the employment of the temporary civilian caretakers of this department, with a view to seeing if it was not possible to obtain the Commission's authority for the extension more promptly and with less loss of time.

As perhaps you know, all our caretakers are temporary, and are employed under six months' certificates of the Commission. As we have an establishment of caretakers authorized by Order in Council, the requirements of Section 106, sub-section 2, of the Civil Service Regulations are satisfied.

In all such cases the procedure is as follows: sometime before the expiration of the authorized term of employment, a requisition is made to the Commission for a further extension of six months, on Form CS. 112, in quadruplicate. In the course of time, one of the four forms is stamped in the Commission, and returned to the Department.

It will be seen, therefore, that this matter is purely routine, and the granting of authority does not even involve the labour of writing a letter, but merely the stamping of a form prepared by the Department. Under the circumstances, an immediate, or at least a very prompt, return of the form to the Department might be expected. As a matter of fact, this process of stamping a printed form takes from two to three weeks, on an average; and the delay sometimes causes considerable inconvenience.

I understand that the delay is due mainly to the fact that these requisitions are presented to the Commissioners for their authority. Surely this is unnecessary to give instructions, could give a blanket instruction and authority to some subordinate to act for them in all cases of this kind. I am speaking now only of purely routine extensions of employment, where no difference of opinion arises between the Commission and the Department.

I enclose a list of thirty-six such extensions, taken at random from our records, from May last. In all these cases there was no dispute or any cause for delay whatever; and yet the time taken to stamp these printed forms averages sixteen days in each case—and in some cases running as high as twenty-five days.

I would suggest that the method now followed not only causes inconvenience to the Department, but must quite unnecessarily waste a great deal of the Commissioners' time.

Yours faithfully,

H. W. BROWN,
Assistant Deputy Minister.

C. H. Bland, Esq.,
Assistant Secretary,
Civil Service Commission,
Ottawa.

And that letter of January 7, 1927 is accompanied by a list of 36 cases, to which Mr. Brown refers.

* For List: See Appendix "G."

Under date January 11, 1928 is a letter Mr. Brown writes to Mr. Bland.

Dear Mr. BLAND:

In accordance with the terms of our telephone conversation this morning, I enclose herewith a list of ten recent re-appraisals, showing the time lost in each case between the date of the Order in Council, authorizing the re-appraisal, and the issuing of the position list. The only one of these now outstanding is that of Mr. Cauchon, about whom I spoke to you.

You will see from this that the time lost, and as we see it, quite unnecessarily lost—between the passing of the Order in Council and the issuing of the position list averages about a month. In Mr. Cauchon's case, it is now forty-four days since the passing of the Order in Council, and we have not yet received the position list.

In this connection, I am also enclosing copy of my letter to you of December 30, 1926, on the same subject; together with the list of re-appraisals mentioned therein.

You will see from this that whereas according to that list, the average time lost by the Commission was twenty-one days, it is now thirty-one days. This is not altogether encouraging.

As the issuing of the position list is a pure matter of routine, there surely is no excuse for this inconvenient and unnecessary delay.

Yours faithfully,

H. W. BROWN,
Assistant Deputy Minister.

Mr. C. H. BLAND,
Assistant Secretary,
Civil Service Commission,
Ottawa.

Accompanying Mr. Brown's letter is a list of ten cases. (For list, see Appendix "H").

Under date April 4, 1929, Mr. Brown again writes to the secretary of the Civil Service Commission:

DEAR SIR: Replying to your enquiry of the 2nd instant, I would suggest that the applications and instructions with regard to the competition for Caretaker, Grade 1, at the Strathroy Armoury, be sent to the District Officer Commanding, Military District No. 1, London, Ont., direct, with a request that he transmit them to the Officer whom he may choose as the military representative on the board for examination of applicants.

May I suggest, further, that it would save much time if the posters required applicants to send their applications to the Chairman of the Board, or whomsoever the Commission may select to represent them locally; rather than have the applications sent to the Secretary of the Civil Service Commission at Ottawa, and then returned to the place of origin for examination and report. This latter method, which I believe is now in effect, results in the papers travelling back and forward several times needlessly and consequent unnecessary delay.

For instance, if the position advertised should happen to be at Victoria, the posters are apparently prepared in the offices of the Commission at Ottawa, and are sent some 3,000 miles to their destination. The applications resulting from the advertisement are then sent back 3,000 miles to the Commission at Ottawa. Thereupon the Commission returns the applications and instructions to their representative at Victoria (3,000 miles), for examination and rating. After the candidates have been examined, the applications and rating sheets are returned to the Commission at Ottawa. The Commission then send a notice to the successful candidate. This would seem to indicate that the papers in the case have travelled this distance of approximately 3,000 miles five times.

If the Commission would send the posters and application forms in the first place to the District Officer Commanding, or their local representative, with instructions to advertise and receive the applications, examine the applicants, make out ratings, and send these with the applications, etc., back to the Commission, at least two unnecessary trips would be saved.

Yours very truly,

H. W. BROWN,
Assistant Deputy Minister.

The Secretary,
Civil Service Commission,
Ottawa.

Q. And this all with respect to the appointment of a caretaker in Victoria.

The last letter apparently filed with your report in this connection is under date April 4, 1930, again from Mr. Brown to Mr. Bland:

APRIL 4, 1930.

DEAR MR. BLAND,—I spoke to you this morning over the telephone about the possibility of making some changes in the present procedure with regard to the advertisements for caretakers' positions. The pay for these positions, as you know, ranges from $225 to $1,000 a year or thereabouts,—

All in connection with the appointment of a caretaker at $220.

—and the correspondence relating to each new position is, in my opinion, quite disproportionately heavy.

Take for instance the various stages now necessary when a new part-time caretaker ($220 a year) is to be appointed—

1. The Department notifies the Commission that a new appointment should be made.
2. The Commission advertises the position.
3. Applications are sent to the Commission.
4. The Commission sends the applications and rating forms to the Department.
5. The Department forwards them to the District Officer Commanding.
6. The D.O.C. forwards them to the Officer in charge of the Armoury.
7. The officer in charge of the Armoury makes the ratings and passes them back to the D.O.C.
8. The D.O.C. forwards to the Department.
9. The Department forwards to the Commission.
10. The Commission notifies the Department of the appointment.

This is the minimum number of stages.

What, in Heaven, is the maximum number?

There may be, and frequently are, many others, so that fifteen or twenty letters may pass between the parties concerned, before the appointment is made; and the delay in making the appointment often extends over months.

To save time and unnecessary labour, I would suggest the following procedure—

1. The Department notifies the Commission.
2. The Commission advertises the position, or causes an advertisement to be made by their local agent; the advertisement would provide that applications, instead of being sent to the Secretary of the Commission at Ottawa, would go to the Chairman of the local examining board, or to the Officer in charge of the Armoury.
3. At the same time, where necessary, the Commission should send to the D.O.C. a copy of the poster, together with a request that the representative of the D.O.C. on the examining board should be available at the time and place fixed in the poster. This would, of course, be a stereotyped request, and could be stamped on the poster, or pinned to the poster on a printed slip.
4. The examining board would send the applications and ratings to the Commission, and a duplicate set of the ratings, and if possible the applications, should be sent to the Department at the same time.
5. The Commission would notify the Department.

This proposal, if adopted, would keep the minimum number of communications down by half. I shall be glad to know if your Commission see any objection to the adoption of this change.

Yours very truly,

H. W. Brown,
Assistant Deputy Minister.

C. H. Bland, Esq.,
Assistant Secretary,
Civil Service Commission,
Ottawa.

An acknowledgment of that is on file, under date April 8, 1929, addressed to Mr. Brown, Assistant Deputy Minister, National Defence, by Mr. Foran, Secretary.

OTTAWA, April 8, 1929.

DEAR SIR,—As suggested in your letter of April 4, your file H.Q. 14-179-2, I am to-day forwarding to the District Officer Commanding, M.D. No. 1, London, Ontario, the applications received for the position of Caretaker, Grade 1, Strathroy.

The suggestion contained in the second paragraph of your letter has been noted, and will be acted upon when vacancies at a distance from Ottawa are being advertised.

Yours truly,

WM. FORAN,
Secretary.

H. W. BROWN, Esq.,
Assistant Deputy Minister of National Defence,
Ottawa, Ontario.

Q. Is there anything to indicate it has followed or are they still following the old routine?

Mr. BLAND: I think it is only fair that both sides of the case be presented. I would like to say that the suggestions have been acted on and I think Mr. Brown will admit that himself.

The CHAIRMAN: They are very good suggestions.

By Mr. Bowman:

Q. Might I ask when they were adopted, Mr. Bland?

Mr. BLAND: They were adopted very shortly after the suggestions were made, Mr. Bowman.

Mr. BOWMAN: The point I was coming at, in placing these letters on record with regard to positions like caretakers, watchmen, cleaners, helpers, elevator operators and so forth—in connection with positions of that kind, what is your opinion as to whether the appointment to positions of that kind should be continued in the Commission or should be made by the department itself?—A. Certain classes are handled just as well by the department. I might say, in a general way, I would like to have the Commission make just as many appointments as possible. But I would like them to cut down on the procedure and not have so much routine, let them make the operation simpler. Apart from that, I have no objection to the Commission making the appointment. In many cases it is an advantage. While the routine at present is long and troublesome, we get very good results.

Q. It would not be very difficult for your department to make the appointment of an elevator operator in the city of Saskatoon?—A. We do not have any.

Q. Well, say caretaker?—A. Caretakers with our department are special, probably. They are the caretakers of armouries and their duties consist not only in looking after the building but looking after the accoutrements of the unit occupying the armoury. The Officer Commanding the corps, whatever it is—it is his personal responsibility to care for the accoutrements. Every year all his stores are checked up and if there is any deficiency he has to pay it. That officer objects very much if a man is appointed caretaker in whom he has no confidence. In some minor cases we have had men put in these places and the Officer Commanding the corps said, "I won't have that man in the

armoury; I won't have him touching my accoutrements. I know he is no good." On paper the man was perfectly satisfactory, had good references, but the Officer Commanding the unit knew he was no good.

Mr. MacInnis: All the more reason why the appointment should be made, Mr. Bowman.

The Witness: And he said he would not be responsible for putting his accoutrements and his stores in the hands of that man. We have had that from time to time. Occasionally we have had officers who have resigned. In that case, in appointments, what we really need is to satisfy the Officer Commanding.

The Chairman: If I interpret correctly Mr. Brown's letters, it would appear, in most cases, the Officer Commanding as a rating officer or an examining officer has a good deal to say in connection with appointments?

The Witness: That is generally the case.

By the Chairman:

Q. Consequently, in the general routine of appointments as caretakers, where the man chosen by the officer commanding is appointed, they are satisfactory and where that does not happen there is disagreement?—A. The Officer Commanding should be consulted.

Q. I should think he should be?—A. He should be. He gives his opinion. The trouble is that the Officer Commanding is not familiar with the Civil Service routine and he is given a sheet of ratings and he has a number of men who are applying and one of the questions is, "Is this man capable to fill this position," and the Officer Commanding, who knows all these men, happens to say he is no good. He says, "I think the other man is the best"; and these ratings come into the Commission and it is not their fault. They have to exercise a certain preference towards pensioned men, etc. They say these men are capable of doing it. These men, under our regulations, should get the appointment. They appoint these men and the officer is sorry he made the recommendation but he has had to appoint him, and when the thing comes out he is thoroughly dissatisfied.

Q. Would you tell me any reason why more suitable men are required to fill these more or less menial positions, by having all this routine of the Civil Service Commission instead of letting the department do it. Routine has, what you call, gone wild—if you reduce it to a minimum can you tell me why more suitable men, if required, could not be found by means of promotions by the Civil Service Commission, instead of appointments by the department? —A. There is no difference, really, if the department makes the appointment.

Q. I judge if the responsibility were put upon you, you could make the appointment?—A. We have had a good deal of experience and I know that it is extremely difficult, under certain conditions, to make the appointment we really want. I am quite frank with you gentlemen, as you know the working of it—

Q. We are taking facts as they are?—A. On account of the pressure brought to bear by the member representing that constituency.

Q. Is the situation any different for the Officer Commanding, in connection with making his ratings, where the member is close at hand and the Officer, perhaps, lives in the member's riding, than for the Deputy Minister, living probably 3,000 miles away?—A. The Deputy Minister has necessarily to rely on the recommendations of his local officer, the branch, or with the member of Parliament himself. It is his local representative in that particular spot.

Q. It is pressure all the way along the line?—A. Yes, a member may not know a thing about a small place he has visited, probably, in the course of his campaign, but he has a representative—he has somebody there—who advises

him, and when you get down to the end of the chain, your advice may be coming from somebody who is not reliable. I am not criticizing the member himself, but he is getting his advice from somebody who may, or may not, be reliable, and the result may be objectionable.

By Mr. Bowman:

Q. That is not in any way different from the position of the Commission itself. Might I refer to a return made on your letter to the Committee, the case of a caretaker at Edmonton, Alberta, file H.Q. 14-185-16:—

March 18, 1931: The Commission was asked to appoint a Caretaker at Edmonton.

April 11, 1931: Blank was appointed.

April 28 and 29, 1931: The Officer Commanding the Blank Field Battery and Blank Battery protested against this appointment, and asked to be relieved of the responsibility for the stores and equipment if Blank was appointed.

May 21, 1931: The Commission was notified of the objections made, and on the 23rd was asked to make another appointment. Affidavits were received from two Companies, Edmonton, as to Blank's unreliability.

August 1, 1931: A. N. Other appointed to the position.

The Commission was asked to appoint a caretaker, so that even the Commission is liable to make some mistake with respect to the man being honest, etc.?—A. That is quite true. The difference is this—if the Commission gives you a bad appointment, you can fire the man without any compunction, or any trouble.

Q. Quite true.—A. Whereas where you get a bad appointment, through a Member, you have great difficulty in getting rid of him.

Q. There is another case of a caretaker in Montreal, March 31, 1931. The department asked for a bilingual caretaker and recommended R. (March 12, 1932). "No satisfactory appointment yet made by Commission"?—A. Was this a caretaker or watchman?

Q. A caretaker, so that within a year, the Commission had apparently found it difficult to find a caretaker in Montreal.—A. Oh, we have lots of difficulties. On the whole, we get along pretty well. Now, while I have made these remarks about the Members, on the other hand I would say our firemen are appointed locally and I will say we do not have much trouble about them. The cases of trouble are very occassional, but you are bound to have trouble some time.

By the Chairman:

Q. Having regard to the fact that human nature is what it is, and having regard to the fact that in making all those appointments, the Commission, of necessity, must rely on local people to make ratings and hold these oral examinations, etc., is it not obvious that you might have bad appointments by reason of favouritism or nepotism, instead of patronage?—A. That is always a possibility, and it is a thing that has to be guarded against. The establishment of a bureaucracy, as a method of Government, is a thing that is receiving care in any democratic form of Government and it is a thing that has to be guarded against. I think you will find the officers of the department are anxious to get the very best appointments they can. Occasionally, as you say, human nature comes in and we may get a case of favouritism; very very few, I think.

By Mr. MacInnis:

Q. Would you agree to this—no system is perfect, but that appointment by the Civil Service Commission is more desirable than the old way?—A. That is my opinion. I am very much in favour of appointment and promotion on merit.

Now, as to what is the best way of getting at it, is difficult to say, but my experience, before the appointment of the Commission and since, is that, on the whole, we are getting good results from the Commission. I criticize them and I find fault with them occasionally, but on the whole we are getting good results.

By Mr. Bowman:

Q. I agree with you, but I am pointing out the routine with regard to these minor positions and the fact—the fact or not,—as to whether appointments could just as well be made by the department. Might I refer now to promotions?

By the Chairman:

Q. Before you go to promotions, what is bothering me, in my own mind, is this—having regard to what you previously said—it is causing this country a tremendous amount of money in paying local examiners and that sort of thing—going through all this enormous routine for picking a job as caretaker somewhere at $225 a year; from that range up to $1,000—I am just wondering whether it is worth the candle?—A. As you see, we were continually urging the Commission to lift off the procedure and get away from all the letter writing. It takes the time of our men all through the department.

By Mr. MacInnis:

Q. It seems, however, if they are not paying them for writing those letters they are paying them for receiving them?

The Chairman: We must consider the economic view, as well as the political one.

Mr. MacInnis: It may be costing us more, when we consider the degenerating effect on those who are receiving them. I am considering it from an economic point of view. Surely that is really the economic aspect of the case.

By Mr. Bowman:

Q. You say it is pretty difficult, Mr. Desbarats, to justify the expense of these proceedings in connection with the appointment of minor positions, such as caretakers, watchmen and so forth?—A. These minor caretakers have to be found locally. The pay is $10 a month and, during the months when he is attending the furnace, the man gets a little extra for looking after the furnace. It is not worth spending an awful lot of money on, to make an appointment of this kind.

Q. And after all, if it was made under your department, it would be officially decided on the judgment of a man in your department; whereas, at the present time, the position is determined by somebody nominated on behalf of the Commission.

By Mr. MacInnis:

Q. Would the replying to applications, and such things as that, for an appointment made through your department, be a material factor?—A. I beg your pardon.

Q. Would not you have a great deal of work in replying to applications, if they were made through the department?—A. Not if they were made locally. You take firemen and such, the local officer is generally given the power to appoint them.

By Mr. Bowman:

Q. Respecting promotions, did you ever make an estimate of what portion of promotions was made as a result of written examination?—A. Apart from ordinary clerical situations, which are made on group examination, I think there are very few written examinations.

Q. Yes. I think Dr. Roche stated that in his evidence. Now, you made this statement, in giving your general statement, that the "Commission was prepared to take the recommendation of the department in promotion and changes in classification." Has that been your experience?—A. Perhaps it would have been better to say that they did become so. I would not say they are prepared to take it. I think theoretically they are at perfect liberty to refuse.

Q. Theoretically, you said?—A. Yes.

Q. In the matter of promotions and reclassifications, in what proportion of the recommendations made by your department has the promotions and recommendations been declined by the Commission?—A. I could not say, but I think as far as promotions are concerned there would be very, very few refusals.

Q. Refusals?—A. Except on the department's recommendation, yes.

Q. Likewise in the matter of classification?—A. That might be more serious. The Commission is rather more inclined to refuse an improved classification. Sometimes the department considers the refusal for a classification is purely routine. But the department does not put up an improved classification, unless it thinks a man is earning it, and under the system of classification it is fairly rigid and not very elastic, and it is rather difficult to get an improved classification for a good man, a man who steps out of the bounds of his original classification and does the better work, is the man who suffers from the classification system.

By the Chairman:

Q. I suppose the difficulty in the way is that in a private enterprise the senior officer, who is daily in personal contact with someone under him, has great power in procuring additional salary, or a promotion, for the efficient man, whereas, in a sense, the Commission is a body which, say, is far removed from personal touch with those who may be entitled to that increase?—A. That is a fact, and it is not in position to appreciate the personal qualifications of the man. You have two men doing the same work—one man is doing twice the quantity of work the other man is, but you would have great difficulty in getting the better classification for him.

Q. Could you suggest any change which would remedy that situation at all, or help to remedy it?—A. The only thing that would remedy that would be a freer hand for the department in making changes in promotion and classification.

By Mr. Bowman:

Q. You cannot have a freer hand than you have in promotions?—A. In promotions there is not much difficulty; the trouble is in classification. When you are promoting a man, the recommendations are pretty generally taken, but where you have a man who has been doing a piece of work for a long time and the department thinks the work justifies superior classification, it is very difficult to obtain it. It is not an encouragement to that man.

By the Chairman:

Q. It is no encouragement for that man to demonstrate initiative?—A. No. He has a neighbour who does his work well but does not go out of his way. He does not put himself out—he gets along just as well. This is one of the defects of a large organization. A bright man loses his incentive after a while, or he is liable to.

By Mr. Ernst:

Q. Have you had any experience with the Organization Branch of the Commission in connection with classification?—A. These have always combined classification and reclassification, and the line that is drawn between classification and reclassification is sometimes a little difficult to follow. Where we have put forward a request for classification, it has always been considered, but quite frequently it has not been granted.

Q. Questions arising in your department on classification are referred to some man who would deal with organization?—A. Yes, he comes down, looks over the case, then talks it over with the chiefs of branches and makes his report.

Q. Do you consider him any better expert in classification than in organization?—A. He is easier to get at and he is much more liable to agree.

Q. There is no great difficulty regarding classification?—A. Except the inertia. The tendency is not to reclassify.

Q. Unless the department ask for it?—A. It is never reclassified, unless the department ask for it. There is no initiative on the part of the Commission.

Q. When the department does ask for a classification, your suggestions are accepted or rejected?—A. I would not say what the percentage would be, but the inclination, in the first instance, is to refuse the classification, unless some strong reason is put forward.

By Mr. MacInnis:

Q. I understand, from what you said, the Commission really acts as a brake on excessive improved classification?—A. That is really the result. They criticize the proposals put forward by the department, and they certainly do act as a brake—a retarding influence—on expenditure of improving the classification of an individual.

By Mr. Ernst:

Q. A brake as a result of inertia or as a result of investigation?—A. No, as a result of the opinions which govern the classification and as a result of a disposition to hold on to whatever the present organization is.

Q. As a result of inertia?—A. Yes, I would put it that way.

By Mr. MacInnis:

Q. Classifications are largely standardized?—A. Yes.

Q. If they were to make an improved classification in one department that might have an effect in some other department?—A. No, improvements in classification generally result in classifying the work of a man in the next stage up, not actually changing the paper classification, but actually classifying him in a higher rank. It does not affect other departments.

Q. Supposing Mr. Smith, in your department, received a higher classification; then he would talk to his friend, Jones, in some other department, and Jones would approach his deputy minister and say that he thought he should receive a slightly higher classification. Well, his deputy possibly might agree with him, although he had never thought that before, and here you would have two improved classifications, one where it was probably merited and another, probably, not necessarily so, but you might get that condition quite frequently. Then the Commission is a useful brake in a case of that kind, which presents abuses?—A. That is the idea, but, as I said, it has the effect of keeping back a very useful man, a very good man. It works well on the average.

Q. I suppose the very good man receives the reward of work well done.

Mr. Ernst: Later—in Heaven.

The WITNESS: That is quite true. Ultimately the very good man will get some promotion, provided he does not get discouraged in the meantime.

The CHAIRMAN: I am delighted Mr. MacInnis has such good faith in our present system.

Mr. MACINNIS: I have faith where the material reward is the same, but the other rewards will be better.

By Mr. Bowman:

Q. Continuing this discussion, where you say the recommendation of the Department is what governs promotion, I find on looking at the first page of Statement "C," attached to your return made to the Committee—I presume that page is typical of the other pages—that in the matter of promotions of which there are 38 on that first page, that between the date of the application for promotion to the Civil Service Commission and the date of the promotion certificate there has elapsed considerable time. There are three cases where 528 days elapsed between the application and the date of the promotion certificate. There are 16 cases where the period elapsed had been over 100 days. Then there are 11 cases of the remaining 19 where the time taken has been over 75 days; so that out of 38 cases on that first page, there are 30 cases where it has taken 75 days to obtain promotion certificate. What do you say as to that? Is that a question of routine again?—A. It exemplifies my general complaint regarding the delays which occur.

Q. As to routine?—A. Yes, and in these very long cases, 500 days, that is over a year, and even in the 100 days, it might mean the man would lose a year of seniority, because his salary increase will not go back of the 1st of April. If that delay puts him back of the line of the 1st of April, it means his increase will be retarded to that extent. In a case of that kind the man might easily lose two years. The man has probably been doing the work all this time, because he has been put into that place and he has been doing the work. There the practice is when the certificate does finally issue, the date of promotion goes back to April 1 of the same fiscal year. It would not go back any further.

Q. That is why I notice, in a lot of the returns, that April 1 of any particular year is set out as the date of promotion?—A. And probably that man had been doing the work a long time before that date, but the certificate came and it was dated the 1st of April.

Q. I take it, from your general remarks, that the principal business of the Commission is in the matter of original appointments?—A. Yes.

Q. By the way, you were talking a little while ago about caretakers and watchmen—about office boys now, do they receive their appointments through the Commission?—A. Yes, they are appointed by the Commission.

Q. Do you not think somebody in your department would be capable enough of appointing an office boy?—A. We get very good results from the Commission in appointing office boys. They have lots, and we have no trouble. We go to the Commission and ask for an office boy and they send us one over. He is a good lad.

Q. He is quite satisfactory?—A. He is quite satisfactory, an office boy, yes, when trained, up to the age of 18 years; they do not stay, however.

Q. After that?—A. They have to pass an examination and become a first-class clerk or they go out and get some other appointment.

By Mr. MacInnis:

Q. I suppose they go out and look for other employment?—A. The great advantage in having them out at 18 years is that you do not have those messengers dragging their feet for years across the department. You get smart young fellows, who run around lively.

By the Chairman:

Q. Are those office boy appointments mostly from the city of Ottawa here? —A. No, some from outside, but as far as we are concerned, they are almost all from Ottawa.

By Mr. Bowman:

Q. The same remark would apply to office boys from outside, as you said with respect to caretakers?—A. They are very very few and they would not come under my notice.

I do not know if this is a thing in which the Committee is interested: We have a number of caretakers who are on the temporary basis. Some of them have been with us for 20 years and up. I think we have a couple above 30 years; a great many of these men are getting old. Some of them are really too old for their work. You cannot put them out on the street, after 30 years' service. They are temporaries; they have no right to superannuation. We have tried many times to have them made permanent. We have succeeded from time to time in getting a few put in the permanent ranks.

By the Chairman:

Q. What is the obstacle to their permanent appointment?—A. There are two obstacles. It means a permanent appointment. The Commission, in making a new appointment, must advertise. They will get a number of applicants in for the position. The chances are they will not again appoint the man who has been in the position and who has been doing the work, ultimately, for twenty or twenty-five years.

Q. Why?—A. Because someone will come along with better qualifications.

Q. Rated higher?—A. Or he may be a returned man and entitled to the preference.

Q. You know positions now, when a man has been in a position for upward of a year or two or three years that he may be appointed permanent by the Commission without open competition?—A. Not unless he has obtained his first appointment as a result of competition. If he has been appointed temporarily, as a result of competition, then, after he has held that a year, he may be made permanent.

Assuming your department applied to-day to the Civil Service Commission for a man for a certain position and they have no eligible list, and you recommend somebody for that temporary appointment, can that person never become permanent except by open competition?—A. I think that is right, unless the position was advertised in the first place, in which case it would be the result of competition, although he might be the only applicant.

By Mr. Bowman:

Q. I think the Committee agree that such men should be on a permanent list?—The department has put forward recommendations and has suggested methods, but has always met with obstacles, for one reason or other. I am not saying it is the Commission.

Q. Not at all. I understand that?—A. But they have blocked the man, and I think it is a thing that should be remedied.

Q. Going back to the case of watchmen, I have in one of your returns, your exhibit "A" at page 3, two night watchmen at Montreal, June, 1927. The department asked the Commission for two night watchmen for the Ordnance Department in Montreal and explained why these should be absolutely trustworthy, reliable men. The District Officer Commanding recommended four men for this position, all of whom had been formerly employed and were well and favourably known. In the 18 months following, some five appointments to these

two positions were made, although the Commission refused to appoint these men. One of their appointees had been convicted of theft; another was stated to be thoroughly unreliable and untrustworthy; a third had to give up the position on account of ill-health; the fourth was suspended for not doing his duty; and the fifth was suspended for absenting himself without leave?—A. We had a great deal of difficulty in that case, through thefts in our Ordnance Department in Montreal. Goods were missing and thefts on a large scale were being carried on. It was evident it was the result of some inside work, that there was collusion among the men in the place. They were almost all soldiers. It was a military organization, and the thefts were carried on at night. We could not put our finger on it and we thought if we put reliable civil watchmen, who would not be in any close contact with a military person, we might be able to get at it and certainly stop it. As you see, our experience was very unfortunate. One of the appointees had been convicted of theft before.

Q. It does not necessarily say, "previously" but says, "had been convicted of theft"?—A. Yes, I think we later found out he had been convicted. Another man was reported by the Rehabilitation Committee to be thoroughly unreliable and untrustworthy. It was an unfortunate experience. We had four men we thought were well fitted, but they did not live up to the regulations of the Commission.

By the Chairman:

Q. We heard a good deal of complaints that the holiday system now permitted to civil servants under the Civil Service Act is very much abused. I am informed they are enabled to let the regular holidays accumulate for a period of two or three years, by getting some holidays each year under the section which permits leave for illness and death in the family. One case brought to my attention, I think, was two months at a time to take a trip to England, and, as a result of that sort of thing, the department have to carry a staff of 1,025 persons to meet the requirements of the department. Would you care to express any view on that?—A. It does not exist in our department. In our department a man has to take his annual leave within the year, if the work allows it.

Q. Would you think that a reasonable regulation to prevail throughout all departments, except in special circumstances certified by doctors or some high official of the department?—A. Yes, and I always refuse to do so. I think the annual leave is given to a man to enable him to get a rest and get a change and he ought to take it in the year and that is what I tell every man that comes to me with a complaint of that kind, that he cannot get away. I can say "get away", but I do not practice it myself.

Q. There may be conditions that make it impossible for a deputy minister? —A. I have not taken annual leave for years.

By Mr. MacInnis:

Q. Is there a certain amount of sick leave?—A. There is, and we keep a close touch of our sick leave.

Possibly the Committee would be interested in looking at a diagram I have here of our sick leave. I have a diagram here, for the year 1931, showing the percentage of leave in each month, and I may say that a statement of that kind over years is very interesting, because it shows there is a regular cycle of sickness, due to seasonal causes, here in Ottawa. It is Ottawa only I am referring to. February and March are bad months. The summer months are good months, but, as we get to the spring, the vitality of our personnel seems to be exhausted and they are very much more liable to be sick.

By the Chairman:

Q. I think that is true in all walks of commercial enterprise?—A. I think so. There was a good deal of abuse on some lines of sick leave. There was a regulation, and we think it still exists, whereby if a man is away on Saturday, Sunday counts as leave, and there were certain branches in which some were very expert on the subject. We found men would be absent on Friday, but they were always turning up Saturday morning, so Sunday did not count against them.

The CHAIRMAN: It was really hard to have to turn up Saturday morning, as compared to any other day?

The WITNESS: However, we settled that.

By Mr. Bowman:

Q. What is the sick leave a year?—A. It is two weeks.

The CHAIRMAN: I did not think there was a limit on doctors' certificates?—A. There is a limit, and we enforce it. On doctors' certificates, you can get quite a long leave and that man is allowed to accumulate his leave. I think I have about four years' sick leave coming to me.

The CHAIRMAN: You seem to thrive without it.

The WITNESS: Oh, yes.

By Mr. Bowman:

Q. The Chairman of the Commission might explain what the sick leave is.

Mr. BLAND: Sick leave is found in Section 67 of the Regulations of the Commission, the date is one and one-half days per each completed month of continuous service, and it may be granted without a medical certificate only for a limited term, that is where the absence has not exceeded four days.

By the Chairman:

Q. Do you find, in your department, the period allowed by the regulations is taken up pretty well by the servants of the department?—A. We do not allow much sick leave without a doctor's certificate.

Q. Without cause?—A. No, we do not allow sick leave to be used merely for the purpose of being used. There are cases when we get very suspicious; doctors' certificates come in and there was abuse in connection with it.

Q. Very difficult to check it up?—A. Very difficult to check it up, but the cases are very few.

Q. I say this without disparagement to the medical profession at all, but I understand that, in connection with pension administration, on investigation it was found out a doctor had never seen the man although the man had a certificate from the doctor?—A. That will happen and we have occasionally gone to a doctor and enquired as far as we could. It is a difficult situation.

Q. It is not abused in your department?—A. No. You can see from that chart absences are very reasonable.

Q. The Commission have made representations to this Committee, Mr. Desbarats, that some check should be put upon the power of a deputy minister to reject candidates or appointees for "unsuitability" without actual probationary trial of that candidate being granted. May I ask for your views in that regard?—A. It so very seldom happens to us; we always give a man a trial.

Q. These cases of caretakers are examples of that, where the local man considers that caretaker is no good, having regard to the fact that ultimate authority must rest in someone. Are you favourable to the continuance of the power of the deputy minister to reject without trial, having regard to all the circumstances, or do you think he should be compelled to try any employee who is approved

by the Civil Service Commission?—A. I can only speak from my experience, and my experience has been occasionally, in the few cases in which it has been exercised, it was very useful to be able to reject the man. We prevented a lot of waste time. You take a man in, give him a trial for one month or two months —that wastes the other people's time—to get him into harness and if the man is clearly unsuitable, I do not think that he should be taken on at all. I do not see why he should be appointed in the first place.

By Mr. MacInnis:

Q. How can you find out his unsuitability without some sort of a trial? —A. In cases where you have special need, where you need some special qualification and you are given a man who has not these qualifications and you know he has not, I do not see how a man like that should get the appointment.

By Mr. Bowman:

Q. There are quite a number of cases on record where the man is unsuitable? A. There are quite a number of cases where the man is unsuitable. You are simply wasting time and the time of the men who have to train him. A man comes into the position; he has to be trained; he has to be taught what the work is.

By Mr. MacInnis:

Q. Would it be possible to overcome that on examination?—A. I should think it would be.

Q. I had a man tell me this morning that he had a stenographer who was not only satisfactory but very efficient and when the position came open, on a competitive examination, he was given a stenographer that had passed the examination all right but who was totally incapable of doing the work, while the one he had could not pass the examination?—A. We have a case at present where one of our officers is paying for his stenographer out of his own pocket, because he considers the one that was appointed to him was so thoroughly unsatisfactory. I do not know whether he may be a crank, but that is what he is doing.

Q. A rather generous crank?—A. Yes, but he can afford it.

Q. It is not always the people that pass examinations for highest marks that make the best men?—A. No, there is a great deal of difference in carrying out work and passing an examination.

The committee adjourned until 3.30 p.m.

AFTERNOON SESSION

The committee resumed at 3.30 o'clock.

The CHAIRMAN: Mr. Bland, would you come back for a moment?

Mr. C. H. BLAND, recalled.

By the Chairman:

Q. You have been sworn already, Mr. Bland?—A. Yes.

Q. I would like to get one thing clear for the information of the Committee, before going into this file in connection with Competition No. 21599. Am I correct in my understanding that the only information available to, and which

goes before the rating officers who originally give a man a rating, are the application forms and the statements therein contained?—A. You are referring, Mr. Chairman, to the rating on education and experience?

Q. And experience?—A. Not all ratings.

Q. Not all ratings?—A. Yes, that is correct.

Q. So that this rating should be based, if the system is carried out, on the information contained in the application forms?—A. Yes.

The CHAIRMAN: That is all thanks, for now, unless the other gentlemen want to ask any questions.

Mr. BOWMAN: I have no questions.

RODERICK MORGAN, called and sworn.

Q. What is your position, Mr. Morgan, with the Civil Service Commission?—A. Examiner, grade two.

Q. How long have you been employed in that position?—A. I entered twelve years ago, as a junior civil service examiner.

Q. You have been engaged in that capacity ever since?—A. About twelve years.

Q. In the ordinary course of your duties, I presume you have occasion to rate men according to their application, and act with the rating officer a great deal?—A. Yes.

Q. On the file of Competition 21599, I find memo. to Mr. Daley. The date of the memo. has become torn off at the top, but there is a stamp on it which says, "examination branch, January 16, 1932, clerical section." The memo. is as follows: "Please arrange to have Thomas Leapard, orally examined at Toronto by same men as examined other candidates." It then says that he is "A". What does that "A" mean?—A. The he is entitled to disability preference.

Q. "He was not previously called because he stated on his application that he has been re-established. He, however, is occupying a temporary position." On whose instructions did you make out that memo. to Mr. Daley?—A. My own, nobody's instructions.

Q. How did the matter come before you for attention?—A. I do not recollect.

Q. Possibly I should tell you, for your information— —A. Probably it was because Mr. Leapard's file came before me at the same time.

Q. Might I tell you, for your information, that in this particular competition, all the candidates were examined orally by a board of examiners at Toronto on December 20 and 21 previously?—A. Yes.

Q. And this memo. is one to arrange for a subsequent, and separate, examination for Mr. Thomas Leapard?—A. Yes.

Mr. BOWMAN: What date is the memo.?

The CHAIRMAN: The memo. was dated January 16, 1932.

By the Chairman:

Q. The other candidates who had made application all having been examined on December 21 and 22. Did anyone speak to you, in any way, in connection with arranging this special examination for Mr. Leapard?—A. Not as far as I remember.

Q. So far as your recollection goes, you were the man who initiated this subsequent examination?—A. Well, probably it arose out of Leapard's personal file that comes before me for the extension of certificate, and I knew that he had been an applicant in the competition.

Q. Leapard, by the way, was the man who had been holding this temporary position of clerk, grade 3, Department of Pensions, National Health?—A. Not that particular one, but one similar to it.

Q. Well, one similar to that?—A. Yes.

Q. He had been appointed temporarily without competition?—A. Yes.

Q. Previously?—A. Yes.

Q. How long had he been in that position before the position was advertised for open competition? Do you know?—A. It would probably be nine months.

Q. About nine months? And you think that what brought this matter to your attention was the fact that the extension of his temporary certificate was applied for, and hence the matter coming to your attention that he had not been orally examined, you issued this memo.?—A. I knew that he had been an applicant.

Q. For the position?—A. Yes.

Q. You have no recollection, then, of anybody speaking to you personally, in connection with Mr. Leapard's application for this position?—A. No.

By Mr. MacInnis:

Q. Do you know Mr. Leapard personally?—A. No, I don't.

Q. Is it customary, or usual, to have a deferred examination of this kind? —A. It has been done on several occasions, yes. The reason why it was held, I can explain that. Mr. Leapard stated on his application form that he had been re-established. That would not give him disability preference, but later it was found out that he was occupying only a temporary position, which does not make him re-established.

By the Chairman:

Q. On the form of application put in, Mr. Morgan, every application form reads as follows, among other questions: "Have you been successfully re-established in some other vocation?" I am reading now from Mr. Leapard's application. The answer is "yes." The very next question was, "give particulars," and he says, "Soldiers' Aid Commission of Ontario from 1923 to 1930; Department of Pensions and National Health"—that is the temporary position he was in—"Veterans' Bureau in Toronto from October 17, 1930, to the present day." Surely, it was obvious from the man's application that he was not re-established, if that employment did not constitute re-establishment?—A. Yes; that was noticed later; that was not noticed at the time.

Q. That was not noticed at the time?—A. That was not my work.

Q. You were one of the three members of the rating board who rate applicants for those positions?—A. Yes.

Q. For some reason, every other applicant for this position, but this one applicant, wrote in his own handwriting, as required by the circular which goes out; but in Mr. Leapard's case there are three separate applications, one of which was received in the office of the examination branch on November 23, 1931, and that one, by the way, is filled out in his own handwriting with a very short statement of his educational and experience qualifications, another application with his name and address, and a third application written in his own handwriting, but instead of writing out his own experience qualifications, they are typewritten at great length, and extended and attached to that application. I show you these three applications for your observations. When you sat on the rating board to give this man rating, did you have the three applications of Leapard before you?—A. I cannot say.

Q. Or merely read?—A. I cannot say.

Q. You have no recollection of that? I should like you to look them over so you will be familiar with them, and then I want to get them back to ask some questions concerning them.

Mr. BOWMAN: Mr. Chairman, I do not want to "butt in" on your line of examination, but how many candidates were there for this position?

The CHAIRMAN: There were 222.

The WITNESS: There were 222, yes.

The CHAIRMAN: According to the file.

Mr. BOWMAN: For this one position.

The CHAIRMAN: It was advertised as one, but as a matter of fact, there are two positions.

The WITNESS: There are two positions.

Mr. BOWMAN: Were all of the candidates examined, except Mr. Leapard at this examination in December?

The CHAIRMAN: Yes.

The WITNESS: No; only those entitled to disability preference.

The CHAIRMAN: How many?

The WITNESS: Forty-four, I think. Forty-four out of 222 candidates were entitled to examination because it was—

By the Chairman:

Q. As a matter of fact, some of them were disabled and entitled to disability, but they were told they were not. Let me put it this way. The Civil Service Commission allowed 44 to proceed to examination on the ground that they had disability preference. Now, I observe on one application put in by Mr. Leapard, namely the one received in the examination branch on the 23rd November, 1931, and that is the only date mark I can find anywhere, that it was sworn at Toronto on the 20th November, 1931, before a notary public by the name of R. W. Smart. On the other hand, I notice that the application, in which the experience of Mr. Leapard was extended and typewritten, was sworn before Harry Bray, a Justice of the Peace, in Toronto, on the 19th November, 1930. Obviously, the application which has the typewritten extension of Mr. Leapard's experience must have been made out and sworn before the subsequent one of the 20th November, 1931, must it not?—A. Yes.

Q. By the way, Mr. Harry Bray, the Justice of the Peace, who swore this application of Leapard's on the 19th November, 1930, to which this extended typewritten memorandum is attached, is, I believe, the district pension advocate at Toronto.—A. He is, now.

Q. Well, he was then too, was he not?—A. Probably.

Q. But considering both the temporary position which Mr. Leapard held and the one which he now holds, he received promotion under this competition. Is that correct?—A. I am not quite sure. I think probably it is.

Q. In making these ratings, Mr. Morgan, do you rate—for instance in making ratings for education and experience—do you allocate part of the marks for education and part for experience?—A. Yes, that is the usual way.

Q. Let me contrast one or two applications and ratings you had before you. I take Mr. Leapard, for example, the successful candidate: I find he had a public school education and eight months at the vocational training school. Then his experience, which is included in your educational rating, I compare with that, for the moment, the application of a man by the name of Challenger, who had a public school education, high school education and a business college education and remained in school until he was 18 years of age. You rate the first man, Leapard, the successful candidate, at 80 per cent. and you rate Challenger 48 per cent?—A. What was the rating on education?

Q. You do not separate them, so I cannot. It is evidently a joint rating for education and experience?—A. I think there are some separate ratings there.

Q. I would like to have them. If you would be good enough to show me where there is a separate rating for education and for experience it will help me very materially for what I have in mind in this case. I see under the heading "Rating on Education and Experience," 5 columns headed: primary education; higher education; clerical experience; experience in pension legislation; experience in pension legislation outside of department. Now, the maximum mark for primary education is 20, and I see you give 20 to both Challenger and Leapard, the two I am comparing for the moment. Higher education, I see you give nothing to Leapard and you give 3 to Challenger, the men I am comparing for the moment.

Q. What is the maximum?—A. Ten.

Q. May I consider that the only credit out of 10 a man gets for higher education in high school or business college is 3 marks out of a possible 10? —A. Those marks are relative. It depends what were given for the others.

Q. You have given 3 to men named Challenger and Fraser. Have you got Fraser's application?

By Mr. MacInnis:

Q. Have you got Ritchie's?—A. Yes. Ritchie, for example, gets the highest mark of anybody for higher education—5.

By the Chairman:

Q. Here is his standing: He obtained a (degree or diploma) "King's Scholarship at Marlborough College, Dublin, Ireland; served three years in a teachers' training course in Dublin, Ireland. He passed his course at Marlborough; then came to Vancouver. He attended Westminster College, Vancouver; then went into business; he completed a two years' course in higher accountancy for the La Salle Extension University; was a student of French and Latin for five years in Berlitz School of Languages and was a school teacher and accountant." He writes a most beautiful hand. Then, that man, with that education, gets an advantage so far of only 5 points over the man who had only a primary school education. This Ritchie and the other man, Challenger, who had a high school and a business education, get an advantage of only 5 and 3 points over Leapard on this rating. Is that the way in which ratings are made?—A. I think it is fair.

Q. You think it is fair. All right.

By Mr. MacInnis:

Q. What educational qualifications would be necessary in order to get 10? —A. Usually university graduation is as high as they can go.

By the Chairman:

Q. The job that was being advertised here for this Grade 3 needed a man to walk up to a desk, talk to returned men who came in about pensions claims and interview them, and make a record of the nature of their allegations and so forth, and file documents. Were there any other requirements required of him?—A. He should have knowledge of pension legislation, departmental procedure; that is the procedure of the department of Pensions.

Q. So that, when we were told in evidence here that a man got no advantage whatever when he came to open competition ratings because of his experience in temporary positions, that statement must obviously have been incorrect, must it not, in view of your present statement?—A. Usually, if the temporary experience has been of a very short nature, it is not considered, but in a case of this kind, where special requirements were required, it was hardly possible to disregard the temporary experience of the applicant.

Q. I see. So that we can take it, in cases where they have only had a short temporary experience, that they do not get an advantage but in cases where they have a long temporary appointment and have the experience required, obviously the man who has been in the temporary position has a very great advantage?—A. Well, in circumstances, yes.

Q. Now, you say that a rating had to be taken into consideration for departmental experience.

By Mr. Bowman:

Q. Is that the third heading?

The CHAIRMAN: The third is clerical experience.

By the Chairman:

Q. You say they were to be rated according to departmental experience as well?—A. They had to have a knowledge of departmental procedure.

Q. No man who had not been in the department could have a knowledge of departmental procedure, unless he had been in the department at some previous time?—A. There are cases where he might have come into contact with the department.

Q. May I read you the advertisement that went out to the public to induce those men to make application. There is not one word said about acquiring departmental experience or knowledge of departmental routine?—A. No.

Q. From whom would you receive your instructions departmental experience was required?—A. It was stated on the department requisition as a requirement.

Q. This is made by the department initially and comes to you?—A. Yes.

Q. So that neither you, nor the Civil Service Commission, would have any say as to whether these men should get a rating for previous experience in the department or not because the department requisition for the position had required previous departmental experience?—A. Asked for a knowledge of departmental procedure and pension legislation.

Q. That is, the department requisition for this position asked that the appointee have a knowledge of departmental routine?—A. Yes.

Q. That is what I want to get at. Do not let us get away from that. Therefore, I say, obviously, no man could qualify for this position, except a man who was in the department or who had been comparatively recently in the department or who had come in contact with the department a great deal in the course of whatever duties he had?—A. Yes, that is correct, if his work happened to bring him in there.

By Mr. MacInnis:

Q. Before you answer that—"could qualify," if you did not have someone who had that departmental experience, one of the others could qualify for the position without that?

The CHAIRMAN: Oh, yes.

The WITNESS: Well, we would want the best we could get.

The CHAIRMAN: We are not concerned about what they had.

Mr. MACINNIS: I am concerned about the questions that go on the record. The man who was not in the department could not have a ghost of a show to get the job?

The WITNESS: I might say one man who was considered qualified had no experience in the department.

By the Chairman:

Q. Before these men could even get a chance to be orally examined they had to get a sufficiently high rating from the examining board, of which you were a member, or else they could not get an examination?—A. No. The oral examination was held first for the main body of the candidates.

Q. We were told by witnesses here who thought what always happened was, you sent on these application forms to a rating board—I think it was Mr. Bland told us that—and that the rating board had nothing else before them except the rating forms and after the rating was made then certain ones might be called upon to undergo an oral examination?—A. That is the procedure in many cases.

Q. In this case you say the oral examinations were held first?—A. Yes, in that case; in other cases the oral is held after; there are two different procedures.

Q. The oral is first?—A. The oral is first. The education and experience is considered later.

Q. In this particular case the oral examinations were held first?—A. Yes.

Q. Can you tell me the date on which you and your fellow rating officers met to rate those men?—A. No, I do not remember.

Q. You are sure it was after the oral examination?—A. Yes, certainly it was.

Q. Can you tell me if it was after the oral examination which Leapard had on the 20th of January?—A. No, it was before that.

Q. So far as Leapard is concerned, you rated him before oral examination but all the others were rated after their oral examination?—A. No, that is not correct.

Q. Explain it to me?—A. There were a number of candidates as to whose disability preference we had not sufficient information. They were not included in the first examination. Later a question came up as to whether they should be orally examined or not at Toronto, and in order to avoid having to call them for oral examination, if they did not have the necessary experience, we rated them on education and experience first. Leapard was the only one of those who were rated who was called for oral examination.

Q. How many marks would a man have to get a rating for experience?—A. Sixty, I think.

Q. Sixty marks. You did not rate any candidate in this examination, in this competition except Leapard until after they had taken their oral examinations. Is that correct?—A. No, that is not correct. You will find a number of names there are also rated after the oral examination was held.

Q. How can I distinguish here which men were rated before the oral examination and which after?—A. I am not sure whether we can do that from the file or not.

Q. Have you any other records, any other method, by which you can do it?—A. There might be a record in the clerical section of the Examination Branch.

Q. Would you look and see if there is any record and let us know at our next sitting?—A. Yes.

Q. We take it part of the applicants for this competition were rated before their oral examination and part after their oral examination?—A. Yes, Leapard was the only one who was orally examined because the others who were rated were not considered worthy and therefore were not called for the oral.

Q. You are all wrong.—A. I am taking the second bunch that were rated.

Q. I realize Leapard was the only one who got a special examination. When you made out your memorandum, pointing out that this special examination should be held for Leapard, because his application had stated that he was re-established and that is the reason you give me for it. Would you have the file before you when you made out that memorandum?—A. Yes, I think so.

Q. Did you observe on this file that another man, Challenger, for example, had advised the secretary of the Commission—Challenger advised the Commission on the 29th of December that he was in receipt of a pension and was entitled to the disability preference. Mr. Foran, on behalf of the Commission, acknowledged his letter for the first time the day after Leapard had his special examination, and this is what he says:—

> Following your letter December 29, your application form was submitted to our board of examiners to review carefully your pension experience and they have considered your experience in pension matters as inadequate. Under the circumstances there will be nothing to be gained by giving you an oral test in connection with competition No. 21599 for Grade 3 at Toronto.

A. Yes.

Q. When you were making up this memorandum on January 16 and went over this general file, should not Challenger have been entitled to examination for this special examination, as well as Leapard, unless he was not entitled, because of his education and experience even to be considered to be an applicant for oral examination, according to your rating board?—A. That is why he was not called, yes.

Q. That is why he was not called?—A. Yes.

Q. Let us just go back for a moment to a comparison. I dealt with the experience and education of Ritchie. For the moment, at the request of Mr. MacInnis, as compared to Leapard, now, let me compare Challenger. According to Leapard's application of November 20, 1931, apparently filled out without the assistance of the stenographic report and so forth, sworn to before Smart, he lists his experience as follows:—

> Was employed by the Soldiers' Aid Commission of Ontario from 1923 to September, 1930.
>
> Three years of this time I was attached to the Pensions Claims Branch, under the direction of Mr. Harry Bray. On October 17, 1930, commenced my present duties with the Veterans' Bureau.
>
> I have had approximately four years' experience in pension work in the nature of preparing of claims.

Let us bear in mind he was with the Soldiers' Aid Commission, and then nine months with the Department of National Health.

Let me read Challenger's application. I will omit all his previous occupations, "I was Provincial inspector for Imperial Ministry Munitions," etc.

"In charge of the academic course for the D.S.C.R., after the Armistice, Toronto;

Placement officer, Toronto Rehabilitation Committee, until discontinued."

I will omit his special duties.

He has "organizing ability, diplomacy and tact combined with a broad knowledge of psychology."

"I have a good knowledge of the Pensions Act," and he continues: "From experience should be valuable for position under consideration."

Have you got in mind the qualifications of these men?—A. Yes.

Q. And then I call your attention to the fact that you rate Leapard 80 and Challenger 48?—A. That is including both education and experience.

Q. It is obvious Challenger had far more education than the other man? —A. We gave him higher rating for education.

Mr. LAURIN: Three points.

By the Chairman:

Q. Challenger's marks for primary education, 20; higher education, 3; clerical experience, 20; experience in pension legislation work in Department, 5; experience in pension legislation work outside the Department, 0. Now, contrasting with that Leapard on primary education, 20; higher education, 0, as against Challenger, 3. Clerical experience, they each get 20. Experience in pension legislation work in the Department, Leapard, 20; Challenger, 5. Experience in pension legislation work outside the Department, Leapard, 20; Challenger, 0. Eighty for Leapard and 48 for Challenger. Let me take another one: Is that what you call the merit system? By the way, can you explain this to me, Mr. Morgan, before I take the next one. The average of all ratings for Leapard was 84·52. It was the highest but the man recommended for the second position was Mr. Blank, with a rating of 73·56 on the whole, whereas Ritchie, the man with a very very superior education was apparently passed over although he was second highest in the rating, his average being 74·6. Can you tell me the reason for that?—A. No, not without seeing the file.

Q. I will give you the file in a moment.—Q. Apparently he was not entitled to the disability preference.

Q. Oh, but he was entitled to the disability preference.—A. I would have to see the file.

Q. Ritchie, 30 per cent, disability. He says he has 30 per cent. disability, and he gives you his pension number?—A. But his physical condition?

Q. It does not say, but in his case I notice you—when I say you I am speaking of the whole Examining Branch of the Civil Service Commission, I do not say you personally. Let us make the situation more clear. You directed a form of inquiry with respect to him to the Deputy Minister of Pensions and National Health to find out whether or not he had disability?—A. He may have had a disability without being entitled to disability preference.

Q. Yes, and really to find out whether he had a disability preference. That is why you wrote this, is it not?—A. Yes.

Q. I observe the form of all of them seem to be the same?—A. The file would show.

Q. Just let me give you Humphreys next, and I will compare him with Leapard. Humphreys, on his oral examination had a mark of 81·5. Let me take Humphreys: He commenced his business career with the T. Eaton Company at the age of 14, being in the office; passed through various positions, eventually being located with men's gloves as storekeeper and salesman. He moved to Vancouver and started with the British Columbia Photo. Company in Vancouver; in business for himself as photographer. Joined up at the outbreak of the war; returning from Overseas, rejoined the staff of Eaton and Company. While he "had not given the pension laws very much study, believes he has a very fair knowledge of them." This man's education consisted of English board school; then attended St. Mary's "higher grade" school; never failed to pass an examination set, yet you do not give this man a rating at all. He gets nothing for education and experience as against Leapard's 80. Do you not think this man is entitled to some credit?—A. I would have to see the file. I do not know why he was not rated, unless he was not successful in the oral examination.

Q. In the oral examination he got 81·5 per cent, the second highest man of all in the original examination. Mr. Leapard, of course, on the supplementary special, ranked higher with 91·3.

Mr. Bowman: Would you kindly put on the record the general material with regard to the oral examination.

By the Chairman:

Q. I have picked out only the high ones. There are marks as I have them under oral examinations and then a rating under education and experience. F. H. Humphreys, oral 81·5; education and experience, no rating. Humphreys' name is included amongst those who had not an adequate knowledge of pension legislation, so any fellow who you thought had not an adequate knowledge of pension legislation and procedure, no matter how many high marks he got, he was otherwise out of the picture?—A. Yes, together with the other examiners.

Q. I said I was not personal in these matters. You happen to be the witness who is here at the moment.—A. His name is included below the rating there.

Q. This man was not given any rating at all, as he does not show any evidence of having the special experience required, namely, adequate knowledge of pension legislation and procedure. Will you look at another fellow, who had a very high standing on education: McElveney got 82·5 per cent on oral examination. He was employed by the Department of Pensions and National Health in the Central Registry as a file clerk from October 27, 1930, to September 9, 1931, as temporary help, so he had been in the same department as Leapard for approximately the same length of time?—A. Yes, but in a very junior position. His departmental experience would not have been of much value.

Q. He had been at Christie Street hospital. That is where Leapard was, wasn't it, at Christie Street hospital. Mr. Leapard, while he was filling a temporary position in the Department of Pensions and Health was working at Christie Street hospital, was he not?—A. If that is where the offices are, I am not quite sure.

Q. Bear in mind you knew nothing about this except what is on the applications, according to the evidence before us. He was at Christie Street since October, 1930, to October, 1931, paid by the relief department. Apparently he got his salary through the relief department instead of through the ordinary channel. He has a fair knowledge of pension procedure, pensions claims, etc. That man, you rate for education and experience at 37, as compared to Leapard's 80?—A. McElveney is only a clerk, Grade 1 in the department, and his experience is not of any value.

Q. What was Leapard in the temporary position?—A. Clerk, Grade 3.

Q. I would just like the members of the committee to compare the handwriting of the two men, if there is any question, and then look at their education. In fact, this man, McElveney, as well as a public school education, obtained a second-class army clerk certificate; also a certificate from the Military School of Engineering at Kirkee, India. You give him 37, while you give Leapard 80, when he only had temporary experience as a clerk, Grade 1, whereas Leapard had a temporary experience as a clerk, Grade 3?—A. Yes, the experience he had as a clerk, Grade 1, is apparently of no value in gaining knowledge—

Q. Of pension procedure and legislation. Although you had never seen the man, never questioned him, but on the oral examination he was given a mark of 82·5 as against Leapard's 91·3. Are you aware of the fact that in that oral examination, in respect of which these men were marked, they were brought into the room and asked what experience they had in connection with the pension work and would have these marks put on?—A. I do not know what questions they were asked or whether they were asked any.

Q. That brings me back. You told me Challenger should not have been allowed to have this special examination set for Leapard because his rating for education and experience was too low?—A. Yes.

Q. Can you tell me why McElveney was allowed to write the examination when his rating for education and experience was 37?—A. He must have been one that was rated first before the experience and education was rated.

Q. So that the fellow who got an examination before his education and experience was rated had a chance, while the man in the reverse position never had a chance, unless he was rated higher than 60. When I say you, I say your Board. Here is Challenger rated 48 and he is not allowed to take the oral examination, in spite of the fact there was one held after he had established that he was entitled to the disability preference, even though the Civil Service Commission had denied it; originally he was not allowed the oral examination and yet McElveney, who had only 37, was allowed the oral and written examination? —A. McElveney was rated at the oral examination first, before he was given any rating in education and experience.

Q. Here are a group of returned men, all entitled to disability preference, and some of them with a low rating for education and experience are allowed an opportunity for education and experience and the others are not allowed. Do you think that was fair treatment for those men?—A. We could have called them.

Q. You could have called them yourselves. You did have a special examination for Leapard?—A. It would have been useless. On education and experience they failed to qualify.

Q. Why was it not useless to call McElveney?—A. We did not have his rating on education and experience, before he was orally examined—

Q. Orally—Ritchie was allowed to proceed to oral examination and he had a mark of only 50, so he failed. You say there is no way of making a man take an oral examination if he has failed in education and experience?—A. No.

Q. You would not have allowed Ritchie to come for oral because he failed in education and experience?—A. If he had not been called for the oral first.

Q. When you averaged it up he ran second to Leapard and yet, on your basis, you would not have allowed that man to proceed to oral examination?—A. When we rate the candidates for education and experience we have no knowledge as to what mark they got for the oral.

Q. You told me a minute ago in this case a great many already had their examinations in the oral and you rated many of them and you said Ritchie was one that you rated?—A. We did not know whether they qualified.

Q. Is it not a fact that a man failing on his education and experience does not preclude him from being so high in the so-called order of merit system that he may get so many marks on the oral examination?—A. I don't get that.

Q. Will you answer this problem for me. On your own system, Ritchie having gotten less than 60 marks for education and experience, you would not let him proceed to oral examination but, by a turn of the wheel, he did proceed and he got so high on the oral that when he is averaged up he got 1 per cent higher than a man whom the Commission ultimately chose for the second appointment. Is not that a fact?—A. It appears to be, yes.

Q. While we are on that, the second man chosen never filled the job, did he? —A. Not so far as I am aware. He was rejected by the department, I think.

Q. Yes. I wonder if the press would be good enough to omit this. As a matter of fact it was found that Blank, the second choice, had gotten into serious embarrassment financially with his employers, a soldier organization, etc., hence he was rejected for unsuitability?—A. No one has been given the second appointment up to this date. I had no knowledge of that. I only know he was rejected by the department because of his past record.

By Mr. MacInnis:

Q. Why was Blank appointed over Ritchie, who made a larger mark?—A. Ritchie failed to secure the necessary marks on education and experience.

By the Chairman:

Q. I would like to compare with Challenger because experience runs so similar. Challenger, prior to the war, was a factory manager. There was nothing in Mr. Blank's occupation to indicate his pre-war occupation. Since the war Challenger was a provincial inspector for the Imperial Minister of Munitions for Ontario. Blank was an Imperial Munitions Board chief inspector, 1917, 1918. Challenger was in charge of the academic course of the D.S.C.R. after the Armistice and Blank was with the D.S.C.R. as inspector on vocational training and relief. Challenger, in addition to the one formerly read, was an officer for the Toronto Rehabilitation Committee until discontinued. Then Blank was secretary of the Canadian Legion and Mr. Challenger had served with the Canadian Legion. We expect to have him here before this is finished. He was well known in it. Blank says, "I have a complete knowledge of the Pensions Act and all other legislation for the welfare of ex-service men." He does not say how he got it except as he has here outlined. "I have given advice to thousands of veterans and their dependents during the past ten years; have addressed meetings on pensions administration; have sat on many veteran committees on pension legislation". Challenger says, "I have a good knowledge of the Pensions Act and its relation to ex-service men and from experience should be valuable for the position under consideration." On those two statements Blank gets a rating of 67 for education and experience; Challenger, 48. Bearing in mind Blank's education was in Scotland, public school, and two years' grammar school. Now, in connection with these ratings you had two other gentlemen associated with you on this rating board?—A. Yes.

Q. Major Wright, of the Department of Pensions and National Health and Colonel C. B. Topp. In making these ratings they, each one of you, took the file and rated these men separately. Did you all three consider each case jointly?—A. Yes. One takes the application form, reads it out loud and we come to some agreement.

Q. So I can take it ratings we find here for education and experience are not your sole responsibility but the consensus of opinion of the three rating officers?—A. Yes.

Q. I think it is pretty obvious a tremendous amount of experience was required in the position?—A. It was required in the position.

Q. One must conclude that a tremendous weight was given in these ratings for departmental experience in that department?—A. I do not think so.

By Mr. Bowman:

Q. It is given in all cases, according to your rating?—A. Not a tremendous weight.

By Mr. MacInnis:

Q. You gave the maximum rating?—A. We gave the maximum rating.

By the Chairman:

Q. To the one man who was in the department?—A. Not the maximum.

Q. Oh, yes, 20.—A. The maximum was 25.

Q. We should have said the highest rating of any of the competitors, to the man who was actually on the job for nine months?—A. Yes.

Q. You also gave him along with the second choice, Blank, the highest rating of 20, out of 25 for experience in pension legislation outside the department?—A. Yes.

Q. But on this sheet you have handed me there was not another man in the grade, on any grade for experience in pension legislation outside the department?—A. Probably they did not have any.

Q. What about Challenger? What experience in pensions work did he have outside the department?—A. I don't remember.

Q. In charge of the academic courses of the D.S.C.R. until after the Armistice; was in charge of the Toronto placement office as an officer until discontinued. Do you not think that would give him a knowledge of pensions? —A. That was within the department of the D.S.C.R. and the Toronto thing is an outside committee.

Q. He gets nothing for that. He gets 5 for his experience inside the department in spite of years of application. He says he has a good knowledge and from experience should be valuable for the position under consideration. However, I will leave it. The two men who got the only marks under "experience in pension legislation work outside the department" are the two men who are ultimately recommended for this position. Take McElveney; no credit for experience outside?—A. No, he did not have any.

Q. Apparently he did not. It was all in the department and yet he only gets 5 as compared with 20 for Leapard?—A. He was really of no value for the position.

Q. I think you said experience with the D.S.C.R. was marked as experience within the department?—A. Yes.

Q. Consider for a moment as compared with Leapard with nine months' experience on a temporary job—let us consider the rating given in the department: Leapard gets 20; Ritchie, 5. Here was Ritchie's experience in the department, for which he gets 5 marks, as compared with the successful candidate who got 20. After discharge from service, obtained a position with the D.S.C.R. and was for a period of two years employed as chief clerk, not a clerk, Grade 1 or Grade 3, but as chief clerk and ledger keeper under Colonel Morrison. Then he resigned that position. "My experience in D.S.C.R. enabled me to gain a thorough knowledge required in such a position as is now open. I have always kept in close touch with pension matters, and when overseas was employed as a clerk in the Canadian Casualty Assembly Centre at Folkestone." All you give that man credit for, in view of that statement, is 5, as compared with Leapard's 20?— A. Yes, that is not recent experience, for one thing, and does not deal with the requirements of the position.

By Mr. Bowman:

Q. Mr. Morgan, I would like to clear the record up on one or two points that perhaps are not very clear.

You were in charge of this particular examination?—A. Yes, I am the examiner for the department of Pensions and National Health.

Q. And you were in charge of this particular examination?—A. As far as the rating on education and experience, not as far as making arrangements for the examination.

Q. Now will you start at the beginning and give us in chronological order what took place?—A. For this particular competition?

Q. Yes.—A. If I can remember. The department first asked for a temporary appointment for three months. They were asked if the position was to last longer, and they were of opinion that it would not, so then it was not advertised. Later they asked for an extension of the employment of the temporary appointee until they were sure how long the position was to last. When they found the position was likely to last a couple of years we proceeded to hold a competition to obtain a qualified appointee.

Q. What is the first step towards the competition?—A. Well we usually get the authority of the Commissioners first to advertise it, and submit to them a copy of the proposed advertisement for approval. When we got that approval in this case it was advertised by newspaper, we sent a short advertisement to the Toronto newspapers, setting a time limit for the receipt of applications.

When these applications were received—the chief of the clerical section could tell you better—the Commissioners had already approved that the oral examination be held. As there were so many applicants in that competition it was decided to limit the oral examination first to those who appeared to be entitled to disability preference, 44.

Q. That is, you cut out all except those who apparently were entitled to disability preference?—A. Yes, in the first instance. We arranged the oral examination by setting a day and notifying our supervisor at Toronto of the date when it would be held and notifying the candidates when and where to appear, and also notifying the department that it was to be held and asking them to have a representative present, and notifying the Canadian Legion in the same way. The oral examination was then held.

Q. At that oral examination you had a rating board?—A. Yes.

Q. Composed of—? —A. Of our supervisor at Toronto, Mr. Laidlaw, the assistant registrar of the University of Toronto; Mr. Playfair, for the Department of Pensions and National Health, and a representative of the Canadian Legion, W. S. A. Norman.

Q. That is, the board for the oral examination consisted of these parties that you have just named?—A. Yes.

Q. Upon what subjects did the oral examination take place?—A. There are these printed forms and there are four factors.

Q. What are they?—A. (1) Personality; the impression that the man makes upon the examiners: (2) Experience: (3) Intelligence and mental alertness: (4) Physical fitness.

Q. That was the oral examination?—A. Then there is a question supplementary to that: "Do you consider the applicant qualified to fill the position? If for any reason the candidate is regarded as not qualified physically or in so far as character and integrity, industry, sobriety and trustworthiness are concerned, give reasons in writing on the other side." So these are factors that are considered that are not really amongst those four I have enumerated.

Q. Was there any particular rating given to those four factors?—A. Yes each factor is given a separate rating on a basis of 100.

Q. That is 25 to each?—A. No, each is given 100, and then they are averaged.

Q. 100 on personality, 100 on experience, 100 on intelligence and alertness and 100 on physical condition?—A. Yes.

By the Chairman:

Q. Would you tell me what mark was given to Leapard for example for alertness?—A. Eighty-seven.

Q. In his application which he filed with the Commission I see this:

What was your age last birthday?—A. 41 years.
How long have you resided in Canada?—A. 43 years.

And they ranked him 87 for intelligence and alertness! There are a half dozen things like that right in his application.

I am going to bring all these men before the Committee, the high-rankers, so you can observe how well the job was done.

By Mr. Bowman:

Q. Is there any mark given for the extra credit to which you have referred, that is on honesty and character?—A. Not necessarily, no.

Q. Nothing with respect to that. Is that the sole basis of the oral examination?—A. Yes.

Q. Nothing with respect to education?—A. No, unless it came under—

Q. Under intelligence or alertness?—A. Yes, or under his career. It says: "check over the career of the candidate" that is his experience. It might be included in that.

Q. I want to know the basis of your findings. His education is not taken into consideration in the oral examination?—A. Well it may be.

Q. Well is it?—A. It depends on the oral examiners.

Q. There is no special rating given to education?—A. It is not mentioned on the form. It says, "having checked over the career of the candidate, what value would you attach to it as fitting him for this particular position."

Q. Is there a rating of 100 given to that question?—A. Yes, that might include education and experience. It depends on the oral examiners, what questions they wish to ask on that.

Q. So that gives a total of 400 on the oral examination?—A. Well there are certain weights given to each factor making a total of 1,000, or certain figuring—

Q. Will you be so kind as to explain to me so that we can understand it. You have given me now ratings of 100 in four cases. Give me the other weights? —A. I do not know whether I should. Is it all right, Mr. Bland?

Mr. BLAND: Certainly.

The CHAIRMAN: If we do not get it from you, Mr. Morgan, we will find out why.

The WITNESS: These weights are usually confidential.

By Mr. Bowman:

Q. I am not asking the man's rating, I want to know the basis of your oral examination?—A. Each of these factors is given a weight.

Q. You have given me four: Personality, Experience, Intelligence and Alertness, and Physical Condition, now will you give me the rest?—A. The factor of personality is given a weight of 3. Perhaps Mr. Bland could explain that better.

Q. You said something about 1,000. Will you now complete what goes to make up the 1,000?—A. The first factor is given a weight of 3, that makes 300.

Q. What is that?—A. Personality. After we get the rating we multiply the rating again by 3. The second factor has a weight of 2, and the third a weight of 2 and the fourth a weight of 3, giving 10 altogether.

Q. In other words you do not really give personality 100 and experience 100 and so on?—A. Well the rating by the examiners is given on the basis of 100. For instance this man gets 93 on the first factor, 95 on the second, 87 on the third, and 90 on the fourth.

Q. Then you multiply those by 3, 2, 2, 3?—A. Yes, and then take the average.

Q. Now what is this other factor you were talking about? You referred to something, would you repeat that?—A.

> If for any reason the candidate is regarded as not qualified physically or in so far as character and integrity, industry, sobriety and trustworthiness are concerned, give reasons in writing on the other side.
>
> Reasons for disqualification other than for physical fitness will be treated as confidential.

There is no mark for that.

Q. Those are reasons why a man should not get the position?—A. Yes.

Q. Even though he does get certain markings for these different headings you have given?—A. Yes.

Q. All right. Why is it that you go through this performance of giving the ratings first at 100 and then multiplying by 3, 2, 2, and 3?—A. Some of these are more important than the others. Instead of averaging them we consider some to be more important, and give them greater weight.

Q. You find it easier to figure on the basis of 100, and then because of the weight that should be given to the first and last, really give then a 50 per cent higher rating?

Mr. BLAND: That is right.

Q. For personality and physical condition?

The WITNESS: Yes.

Q. Do you think, in the experience of the examiners, that these should have higher ratings than experience and intelligence or alertness?—A. These were the weights, the standard weights approved by the Commission for that.

Q. Now the candidates come before this board you have referred to and get their examination on the basis of these different weights?—A. Yes.

Q. Then what is the next step? Do you make a finding?—A. They do in the Clerical Section. That is not done by the examiners.

Q. You send that back to the Commission?—A. The oral examiners send the ratings in to the Commission, where they go to the Examination Branch, clerical section, where these figures and percentages are computed and placed in a register.

Q. For instance you have Mr. A. before the board. Do the three members of the board consult with respect to the factor of personality and come to a general conclusion as to what the marking shall be, or do the members of the board give separate findings?—A. I think some times it is done one way and sometimes the other. I have not been present at any of these oral examinations.

Mr. BLAND: In practically all cases in consultation.

Q. And the final result being the considered opinion of the three of them?

Mr. BLAND: Set out and summed by the three.

Q. That is there is not a different finding by each member of the Board?

Mr. BLAND: No.

Q. Then that goes back to the clerical section, Examination Branch of the Commission, and they sum up the ratings?

The WITNESS: Yes.

Q. And they place the man in order of merit according to the result of the examination?—A. No, not necessarily. Their names are placed in a register in alphabetical order with ratings following, and those who obtain a successful mark—

Q. What are the requirements for a successful pass on the oral examination?—A. I think 60 in this case.

Mr. BLAND: In any case.

The WITNESS: Yes, sixty per cent.

Q. Sixty per cent in the case before us?—A. Yes.

Q. What happens next?—A. Those who obtained 60 per cent in the oral examination, their applications were referred to the examiner for a rating on education and experience.

Q. That is they came before you?—A. Yes.

Q. For what?—A. Rating on education and experience.

Q. What do you do, what is the next step?—A. It depends. Sometimes I do the rating myself, other times we have a board of examiners.

Q. What did you do in this case?—A. In this case we called in representatives of the department.

Q. One representative?—A. We asked the department to send a representative, and they sent two.

Q. And anybody else?—A. No, that is all.

Q. Then the board consisted of two representatives from the department?—A. Yes in this case.

Q. And not yourself?—A. And myself, yes.

Q. What happened then, what did the board do?—A. The board gave a rating on education and experience from the application forms.

Q. Now tell us what weights are attached there?—A. Well it all depends. The board draws up a rating scheme on the various factors.

Q. Tell us what happened here?—A. Well I think you have that as read out by the chairman. On primary education we allowed 20.

Q. In this particular case the board—On the oral examination or the written?—

The CHAIRMAN: No, this is just the rating for education and experience.

The WITNESS: Yes, from the application forms only.

Mr. BOWMAN: Not anything to do with the oral examination?

The WITNESS: No.

Q. Then you had this rating board, consisting of two members of the department and yourself, went over the application forms?—A. Yes.

Q. And what else?—A. We gave a rating on education.

Q. Did you have anything else before you except the application?—A. No, nothing.

Q. From those applications you made another rating?—A. Yes.

Q. The basis of that rating, primary education, to which you alloted a maximum of 20?—A. Yes.

Q. Higher education, to which is alloted a maximum mark of 10?—A. Yes.

Q. Clerical experience, to which is alloted a maximum mark of 20?—A. Yes.

Q. Experience in pensions work in the department, to which is alloted a maximum of 25; and experience in pensions work outside of the department, which was allowed 25 maximum?—A. Yes.

Q. Making a maximum total of 100?—A. Yes.

Q. Then you made up your rating as you say from the application forms?—A. Yes.

Q. Now you have two ratings; the rating on the oral examination and the rating on the applications. What happens next?—A. These ratings are combined.

Q. On what basis? Would you mind in this particular case giving me the combined ratings with respect to two or three of these men, so that we have it in definite figures and can understand it? Give me the combined ratings of Leapard and Challenger and Blank?—A. Leapard, on the oral examination, got 91.3.

On education and experience, 80.

Challenger was not called for the oral examination, because he obtained only 48 on education and experience.

Q. Consequently he would not come under the second examination at all?—A. No, he was not qualified.

Q. And Blank?—A. Blank obtained 83.4 on the oral and 67 on education and experience.

Q. Then finally, as the results of the combined ratings, the men were placed on an eligbile list in accordance with what you thought their merit?—A. Yes, the oral was given a weight of four, and education and experience a weight of six; that is to say, the mark on education and experience was multiplied by six, and the mark on the oral was multiplied by four.

By Mr. Bowman:

Q. That it to say you multiply oral by four?—A. Yes.
Q. And education and experience by six?—A. Yes.
Q. Is that correct?—A. Yes.

Mr. BOWMAN: I think, Mr. Bland, it would take a Philadelphia lawyer to follow this.

Mr. BLAND: I think you rate 100 per cent, Mr. Bowman.

By Mr. Bowman:

Q. Then you take the final figures from that and place the man in order of merit?—A. Yes.

Q. As found by the oral examination and the examination of the application?—A. In this case that happened to be because they were all entitled to disability preference, all those qualified.

Q. It is quite apparent, is it not Mr. Morgan, that those totals on the education and experience, a very very large part of them, more weight of marks is given to experience both in and outside the department.—A. Yes.

Q. And not only on the face of it does it appear to be fifty per cent of the total of 100, but that again is multiplied by six as against four for the oral examination, putting it up another fifty per cent.—A. Well, that includes the education as well.

Q. It puts it up another fifty per cent?—A. Yes, but fifty per cent is for experience in the rating.

Q. Why is high education placed so low, given a low value of ten out of a hundred, as compared with twenty for primary education? Mind you, I appreciate the importance of the primary education. Primary education and clerical experience is given twenty, higher education is given ten?—A. Well, it is not so much required in a position of this kind, as long as a man has primary education or a little better, he is qualified.

Q. I suppose those different ratings are changed in view of some particular position. That is, if you have a position requiring a higher education— —A. Yes.

Q. —then a higher education would receive a higher proportionate mark?—A. That is so.

Q. Might I ask Mr. Bland, at this point, just to carry it out, just off-hand, Mr. Bland, not having gone into the matter of examination in detail, seriously, it does seem to me to be somewhat complicated—does it work out?

Mr. BLAND: It looks very complicated. The reason we have adopted it is that we found most examiners, outside examiners, found it easier to give ratings on the basis of 100, than on the basis of 150, 200, 250, or 300. It is primarily simply a matter of convenience. The reason for having different weights and different scales for different factors is because in certain positions one factor may be much more important than in another position; for example, take the position of letter carrier. The physical fitness factor is of prime importance there. In another position, where it might be a sheltered one, the physical fitness factor is not of so much importance. There is, therefore, a sliding scale of weights. It looks complicated, but in reality it is the same system used in all university and school work for checking different weights and different scales.

By Mr. Bowman:

Q. Well, in school work, in rating ordinary examinations, if the maximum is 100, and a man gets 87, that ends it?—A. That ends it.

Q. He gets 87, and it is not multiplied by four or by six.

Mr. BLAND: That is quite true.

Q. Is it not also true with respect to universities?

Mr. BLAND: No; in certain cases some subjects are given more weights than others.

Q. Naturally.

Mr. BLAND: Some work may be given a mark of 200, that is, a more important subject, and a lesser subject given 100.

Q. Once a mark is received, that is the final mark.

Mr. BLAND: That is the final mark.

Q. The weighting of the subject is given in the very first instance?

Mr. BLAND: It might just as well be given here, except for a matter of convenience.

Q. It strikes me that is a lot of routine and red tape which the Commission might very well eliminate.

Mr. BLAND: We originally did it that way, but we found this was a simpler way to do it. As a matter of fact, we would just as soon do it the other way, if it would make it more simple. If you have to explain it to somebody, it is difficult to explain.

Q. It must be an exceedingly difficult thing to explain to a man. If he gets a standing, for instance, of 90, on an oral examination, then you have to explain to him that really is not his standing at all, it is some other figure.

Mr. BLAND: It does bring about difficulties in certain cases, undoubtedly.

The CHAIRMAN: I presume, Mr. Bland, with your keenness of intellect, you immediately observe the opportunity there is for abuse in this system of ratings on applications and rating on oral examination?

Mr. BLAND: I would not like to go that far, Mr. Chairman, due to the fact that this allocating of rates is not done by the examiner; it is done, if you might use the word, mechanically, independently, without knowing who the candidates are, and this possibility of abuse is largely removed.

The CHAIRMAN: If I bring here another five or six cases similar to those, where the man previously in the temporary job, got the permanent job under conditions such as will be illustrated, particularly with the 87 mark for alertness, do you not think I can change your mind at all in regard to the possibility of abuses that there are in this system?

Mr. BLAND: I hope my mind is open, Mr. Chairman, to anything that would improve the situation.

The CHAIRMAN: I wanted to ask Mr. Morgan, if I might, with Mr. MacInnis' permission, one question.

By the Chairman:

Q. You told me you did not know whether you had those three applications of the successful men before you or not at the time?—A. No, I cannot remember.

Q. Can you tell me whether you had a letter from Mr. Harry Bray, dated 15th November, 1930, recommending this gentleman very highly, telling you his duties had consisted of interviewing claimants for pension, placing incoming mail on files, looking after occasional correspondence and the filing system. "His tact and courtesy as an interviewer, together with the knowledge he acquired of routine pension matters made him a most valuable member of the staff, and I sincerely trust his services may be retained in a like capacity with the Veterans' Bureau."—A. I cannot remember, but probably it was there.

Q. Before the rating board on application forms?—A. Yes.

Q. You did not have letters of recommendation of any of the other candidates?—A. If they were attached to the applications, yes.

Q. I see.—A. If there were not attached, there would not be any in front of us.

Q. Can you tell me any reason why, if letters of recommendation went into the Civil Service Commission, they were not attached to their applications, the same as Mr. Bray's recommendation of the successful candidate?—A. If there were any, they would be attached.

Q. They would be attached?—A. Certainly.

Q. You are sure of that?—A. Yes, certainly.

By Mr. Bowman:

Q. Do you mind if I ask a question in respect to the final ratings. I do not think I got the final rating of these two men. What was the final rating of Leapard and the final rating of Blank?—A. Leapard was 84·52, and Blank was 73·56.

By the Chairman:

Q. Would you please give Mr. Bowman too, the final rating of Mr. Ritchie from the record?—A. It was 74·6.

Q. He was the second man, but he did not get the job.

Mr. BOWMAN: What was his rate?

The CHAIRMAN: Ritchie's rate was 74·6.

By Mr. Bowman:

Q. Will you give me Mr. Ritchie's oral rating?—A. Yes, 86·5.

Q. And education, experience?—A. Education and experience. That was 50. Not having received 60, he could not be placed on the eligible list; he was unsuccessful.

Q. Why did you give Mr. Ritchie a final rating of 74·6 if he was not eligible?—A. Well, it just worked out that way, it was not necessary to give it.

Mr. BLAND: Mr. Bowman, I think in fairness I should explain that the final rating is attached to the register in any case, whether the candidate fail in other subjects or not. That is a complete record of the marks obtained in each subject, and on the total.

Mr. BOWMAN: I think, Mr. Bland, the final total there would rather indicate what I have to say; that is with regard to explaining to the candidate how he had got a certain mark.

Mr. BLAND: I quite appreciate the point you make.

Mr. BOWMAN: Because you take Leapard. He gets 91·3 on the oral examination; he gets 80 on experience and education, yet his final total is 84·57.

Mr. BLAND: Quite so. I might add this. This is sent to the candidate, and in addition to the marks being given, a note is added explaining the fact that the weights are as follows. For each subject his final weight is accordingly made up as follows. That is, the explanation is given in each case, and, generally speaking, I think it satisfies the candidate.

By Mr. MacInnis:

Q. The Chairman directed your attention to some seeming mistakes in the application that Leapard had forwarded. As was stated here, there were two or three application forms put in. I do not know on which one you based your marks. One of the questions asked here is, "Do you consider yourself physically fit to carry on the duties of the above position in a satisfactory manner"? Mr. Leapard's answer to the question is "No." Now, in the face

of the fact that the applicant insisted that he was not fit—that is, according to his application—to discharge the duties in a satisfactory manner, yet you gave him the highest rating, and gave him the position. How do you account for it?—A. I cannot account for it.

Q. Now, I said there were three applications.—A. He must have made a mistake.

By the Chairman:

Q. You did not make a mistake, he did?—A. Yes.

By Mr. MacInnis:

Q. You would not give him a high mark for alertness because of the mistakes he made?—A. Of course, the mark for alertness was given by the oral examiner, not by me.

By the Chairman:

Q. You have a record?—A. No, we do not have a record.
Q. You have now?—A. Yes.
Q. They marked him 87 for alertness, didn't they?—A. Yes.

By Mr. MacInnis:

Q. In his application of November 20th, 1930, which is a year before this application—in the application of November 23rd, 1931, he gave his date of birth as August 19, 1890—in the application of November 20th, 1930, he gave his date of birth as the 19th August, 1891. It seems to me that possibly Leapard is entitled to certain marks, good marks, for alertness, but certainly the examiners were not entitled to very high marks for alertness.

By the Chairman:

Q. Would you mind telling me, Mr. Morgan, if any other candidate got a higher mark than this man Leapard, for alertness?—A. I would have to go over them all.

Q. It would be interesting to know.

By Mr. Bowman:

Q. While Mr. Morgan is looking that up, Mr. Bland, what would it cost to hold an examination of this kind, and finally fill the position in so far as the Commission is concerned?

Mr. BLAND: Well, I told you once before, Mr. Bowman, that I can only make a guess. Off-hand I would think that this examination would probably cost $75. I am only guessing. That is the closest figure I can give at the moment.

The CHAIRMAN: There were letters written to 222 applicants, at least one letter by the Civil Service Commission.

Mr. BOWMAN: You mean separate and distinct letters?

The CHAIRMAN: Some of them were mimeographed—one of them would be mimeographed.

Mr. BLAND: Mr. Chairman, while Mr. Morgan is looking that up, may I make one remark?

The CHAIRMAN: Yes.

Mr. BLAND: In connection with alertness, those three Toronto examiners are not here, and I think it would be only fair to say that they gave their ratings not on the examination form, but on answers made before them. It may be that that does not affect the general question.

By Mr. MacInnis:

Q. Who gave the rating on the application form?

Mr. BLAND: It is given by the examiners on the statement of education and experience. It is not given on the front page details as to physical condition and so on.

The CHAIRMAN: I might also make this observation, to make it clear. In dealing with this separate examination from Mr. Leapard, the successful candidate on his first application which went before the rating board, it was dated in 1930, an application for this position, a year before it was advertised.

The WITNESS: May I see that, sir.

The CHAIRMAN: And attached to it was this high recommendation of Mr. Harry Bray.

The WITNESS: That is the application that came in when he was temporarily appointed in October, 1930. There was a later application came in when the competition was held.

The CHAIRMAN: I am only pointing out that he went to the rating board.

Mr. BOWMAN: Mr. Bland, when you said that $75 was the cost, did you mean to include in that figure the cost in as far as the clerical work in your Commission was concerned?

Mr. BLAND: It would be hard to estimate that, Mr. Bowman. There were no written examination papers to prepare. There would be the cost of the advertisement in the Toronto Press which I do not think would run more than a few dollars. Then there would be the cost of the correspondence with the candidates, the fee paid to one member of the Board, probably, $10, and the cost of the correspondence.

Mr. BOWMAN: After that there is also the clerical work in making the final compilations?

Mr. BLAND: Yes.

Mr. BOWMAN: How long would that take?

Mr. BLAND: That would not take very long. Probably one clerk would do that in half an hour or an hour.

Mr. BOWMAN: He would only be making it on a small number?

Mr. BLAND: Yes.

By the Chairman:

Q. Mr. Morgan, you wanted to reply to a question on this rating?—A. Yes. There was one candidate obtained a higher rating.

Q. What candidate?—A. Mr. Ritchie.

Q. What rating?—A. Eighty-eight.

Q. They gave him one mark more for intelligence and alertness than Mr. Leapard—one more mark?—A. Yes.

Q. Now, a letter was apparently written dated January 20th. I thought you told me those quotations under the letter "A" meant experience?—A. Entitled to a disability preference.

Q. What does "B" stand for?—A. The ordinary returned man who is not entitled to disability preference.

Q. Mr. Foran wrote a letter—I cannot put my hand on it at the moment—dated January 19th, to Mr. Laidlaw, one of your oral examiners in Toronto, giving him instructions and directions with regard to the holding of this special examination for Mr. Leapard. Now, these examiners, Mr. Laidlaw, Mr. Playfair and Mr. Norman are supposed to subscribe to an oath as to their examinations, are they not? We had a considerable discussion in the early part of the evidence as to whether they really took these affidavits as to filling

their positions and so forth. Now, I notice that the affidavit sworn to by Mr. Norman, Mr. Playfair and Mr. Laidlaw is a joint affidavit and was sworn before Mr. A. B. Fennell, a notary public of Toronto, on the 20th of January, 1932, and yet the document itself bears the stamp on it indicating that it was received in Mr. Laidlaw's office, the registrar's office at Toronto university, on January 22, 1932, two days later. Can you explain that to me?—A. No.

Mr. BLAND: I think it was sent back for the signature of Mr. Norman.

The CHAIRMAN: It came down first with only two having sworn?

Mr. BLAND: Yes.

The CHAIRMAN: And it went back and Mr. Norman was added.

Mr. BLAND: Yes.

The CHAIRMAN: Without re-swearing the affidavit before Mr. Fennell?

Mr. BLAND: I am only speaking from memory. I should have to look up the papers to be sure.

The CHAIRMAN: I would like to know whether these examiners are actually taking these oaths or not.

By Mr. Laurin:

Q. Mr. Morgan, after the routine proceedings of the examiner, could you tell me whether the applicant who has obtained the highest rate is finally appointed? I wish to be clear?—A. Yes. The first man on the eligible list is usually appointed to the position.

Q. Is it final?—A. Yes.

By the Chairman:

Q. By the way, as the result of this competition, you did not establish an eligible list. All you did, as I understand from the memo. on the front of that file, was to appoint two eligibles, Mr. Leapard and Mr. Blank?—A. There is an eligible list with two names on it, just Leapard and Blank.

Q. That is what I said in the beginning. You did not establish an eligible list of men in succession of merit?—A. These were the only two who obtained a final percentage of 70 per cent or over.

Q. No, no; they were not. Don't let us get at cross-purposes. Mr. Ritchie obtained 74·6?—A. No, he did not obtain 60 per cent on one part of the examination. You have to obtain 60 per cent on each part.

Q. I can take it for some reason or other that by the time you got through with this oral and experience and rating there were only two men who could possibly qualify for these two positions and they were Leapard and Blank?—A. Yes, sir.

Mr. BLAND: That is not quite correct. There still remain the returned soldier candidates who have not yet been examined, but who may be examined.

The CHAIRMAN: How can they, if they do not take 60 per cent on experience and rating?

Mr. BLAND: The other returned soldiers who are not entitled to that disability preference have not been rated yet.

The CHAIRMAN: That is true; but of all the disability men whom you examined there were no other eligibles?

Mr. BLAND: Only two parties.

The CHAIRMAN: And no matter how high a mark they got on the orals, they cannot pass because of this education and experience requirement—experience is the department which was no part of the advertisement which went out to the public?

Mr. BLAND: That is true in this case; yes.

By Mr. Bowman:

Q. I want to clear up one point to make sure that I understand this matter of examinations. Education and experience are based on an examination of the application forms?—A. Yes.

Q. Now, I see on the face of these applications such questions as, "Are you in good health?" "Do you write English or French?" "Do you consider yourself physically fit to carry on the duties of the above position in a satisfactory manner?" Surely to goodness those questions are considered by the Board in arriving at their final weights?—A. Not as far as their education and experience is concerned; they should be considered at the oral examination.

Q. Now here is a question: "Were you at any time employed in the Civil Service?" Surely that is taken into consideration when giving the final results on education and experience?—A. No. I do not think so. That is only for information.

Q. Then may we take it that the examiners do not pay any attention at all to that page of the application?

The CHAIRMAN: The clerical section, not the Rating Board.

Mr. BLAND: Yes. That is correct. The first page is checked by the clerical section, not by the Rating Board.

By Mr. Bowman:

Q. There must be something to account for somebody overlooking this vital question: "Do you consider yourself physically fit?" And the man says "No", and yet he gets the position. Now, what part of the application is taken into consideration by the second rating Board?—A. Where the man gives his education and his experience.

The CHAIRMAN: If I ever want to get a job in the Civil Service, I will certainly puff myself on that part of it.

By the Chairman:

Q. Is it usual or unusual to appoint persons to positions of clerk grade 3 without a written examination?—A. I do not know whether it is usual or not.

Mr. BLAND: I do not think Mr. Morgan should be asked to answer that question. It depends entirely upon the nature of the duties. Where the duties have to do with correspondence, or the keeping of books, a written examination is usual. In this case the duties were largely counter work in which the keeping of books or the answering of letters was not a major part of the work, and no written examination was held.

The CHAIRMAN: May I ask this question: Of all the appointments to positions for grade 3 clerk during, say, the last year, approximately what percentage were made without written examination?

Mr. BLAND: I am trying to think of another case of clerk grade 3 other than this one. I cannot think of another one, during the past two or three years. Generally they are filled by promotion. There is another one—

The CHAIRMAN: Usually they start at grade 1 and go to grade 2 and 3.

Mr. BLAND: Generally the entrance examinations are for grades 1 and 2. They are written, and grade 3 is usually filled by promotion.

Mr. BOWMAN: Why was it not filled by promotion in this case?

Mr. BLAND: It was a temporary position; and a temporary position cannot be filled by a permanent employee. The position itself was of a temporary nature.

The Committee adjourned to meet Monday, April 11, at 11 o'clock a.m.

HOUSE OF COMMONS,

APRIL 11, 1932.

The Select Standing Committee to inquire into appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 11 o'clock a.m., Mr. Lawson presiding.

CHARLES H. BLAND, recalled.

By the Chairman:

Q. Mr. Bland, in connection with competition 21599, I would like to clear up a few points I have in mind. There are just one or two things I would like to get on the record from that file. Would you look at the original department requisition for this position, when they wanted a temporary appointment made, in October 1930—I think it is in 1930; is that available?—A. Yes, Mr. Chairman.

Q. Would you look at that and tell me if there was any requriement, at that time, in their requisition for anyone having a knowledge of departmental procedure, pension laws or policies—A. This is the requisition, Mr. Chairman, for the temporary employment of Mr. Leapard, and on this requisition, dated October 30, 1930, I cannot see any mention of the experience in pension regulations and procedure that was subsequently demanded.

Q. Nor of departmental procedure?—A. No.

Q. Then in the requisition which came through, though, in 1931, for further appointment, after Mr. Leapard had been on the job for some nine or ten months —did that requisition require adequate knowledge of departmental procedure, pension laws and policy?—A. There was an intervening requisition dealing with the temporary employment of a second employee. That was in July, 1931. It had not reference to Mr. Leapard specifically.

Q. But it was for a similar position?—A. A second position of the same kind. And the experience specified in this requisition was, "Adequate knowledge of departmental procedure, pension laws and policies."

Q. Was anyone appointed temporarily to that second position?—A. Yes. The department requested the temporary employment of Mr. Charles A. Brown who was certified for a period of three months.

Q. And he was so employed temporarily?—A. Yes, Mr. Chairman.

Q. Was Mr. Charles A. Brown in the department at all at the time of that requisition?—A. I will have to take a second look at the file. The requisition in question states that Mr. Charles Brown was previously employed on the staff in the capacity of investigator, grade 1. I take it that means that on a former occasion he had been employed in the department, probably prior to his coming under the Commission.

Q. Do they give the length of his previous service in the department?—A. No. That is not given.

Q. Was Mr. Brown examined, in any way, before he was given that temporary appointment?—A. He had been taken on by the department for a period of thirty days in accordance with the Act.

Q. There was no examination?—A. There was no examination.

Q. Did Mr. Brown enter competition 21599?—A. Yes, I think he did.

Q. Was he able to qualify for examination under the returned soldiers' preference?—A. He was a returned soldier, but he was not entitled to the disability preference. Consequently, he was not called for the original oral examination.

Q. I can summarize that by saying that in the original requisition by the department for the appointment of Mr. Leapard temporarily, there was no requirement for "adequate knowledge of departmental proceedure, pension laws and policies"; and that the first time that requirement appears is when they wanted the temporary appointment of a second man to a similar position in July, 1931?—A. That is the way the papers on file here are.

Q. Then Mr. Bland, as to these weights which you have described in some detail to Mr. Bowman—how is it fixed as to what weights shall be given for education and experience and what weighting for the oral examination? Are they fixed before the applicants are rated for education and experience and before they are orally examined, or after, or at what point?—A. Before, Mr. Chairman.

Q. That is before there is any examination of any kind, or any rating?—A. Yes.

Q. And who fixes them?—A. When the examination is originally proposed and outlined, what we call an examination schedule is prepared giving the subjects of examination and the weights for each.

Q. Who fixes the weights?—A. They are proposed by the Examination Branch.

Q. That is under your direction?—A. Yes.

Q. Are you the man who actually determines the weights, or is it some other official?—A. The same precedure is followed in connection with the weights as in connection with the original recommendation for the examination. The recommendation is made by the examiner. It comes to me from him.

Q. And in the ordinary routine, unless you had reason to question it, you would approve of it, I suppose?—A. Yes, I think that is true, Mr. Chairman.

Q. Now, take this particular case, for example: When these weights are determined—a memorandum of November 10, 1931, made by "R.M." who, I presume, is Mr. Morgan, shows oral examination weight 4, education and experience weight 6—that record remains on the file?—A. Yes.

Q. And to the extent that any person or group of persons have access to that information which is recorded on that file they could ascertain what weights are to be given for the oral examination?—A. Yes; any person who had proper access.

Q. Whether it was proper or improper; anybody who has access?—A. The point is this, Mr. Chairman, that we endeavour to try to keep the file confined to the people who are supposed to have access to it.

Q. Who are supposed to have access to it?—A. The chief of the clerical section—

Q. The members of the Examination Branch would have access to it, I assume?—A. I think I would like to have the chief of the clerical section explain the steps we take, if you would call him. The point I would like to make is this, that we endeavour to see that the file in such matters is kept to the persons who are properly supposed to see it, and not generally circulated. I think Mr. Daley can explain that to you better than I can.

Q. Have you ever considered the possibility of some one person such as yourself, as Chief of the Examination Branch, setting these weights and keeping the information to yourself until after the examinations are made and then disclosing it to the party who registers the weighting?—A. Yes. I have thought of that.

Q. Together with the figures of the Rating Board on the application forms? —A. I think there are some things in favour of that, but there are also some arguments against it, in the present situation.

Q. Now, I would like you to look at one other thing. You know the list of reports that are entered in the record of this oral examination?—A. Yes.

Q. I notice that in many cases they are not signed at all by Mr. Norman, the representative of the Canadian Legion?—A. Yes. I notice that in some cases they are not.

Q. He is supposed to sign all these, is he not?—A. Well, I do not know that I can give a "yes" or "no" answer to that. The Legion representative is given the opportunity of attending oral examinations so that he may satisfy himself that the claims and preferences of ex-service men are properly carried out. Now, if he satisfies himself, as far as we are concerned that is what he is there for, and we would not, I think, feel it essential that he should sign it as a member of the Rating Board, provided he was satisfied that the preference had been carried out. He is in a little different position from the other two.

Q. There seems to be a public impression abroad that the Legion representative *must* be at these examinations. Now, if I understand you, it is purely optional?—A. Yes.

Q. If he wants to attend he may?—A. It is really a privilege that is extended to the ex-service organizations.

Q. That is my first question. The other one is this: Can you tell me, from the record, anything to indicate whether or not I am correct when I make the statement that Mr. Norman did not attend at all on one of the days of these examinations?—A. If I might look up the official record—

Q. Maybe I can help you. With some degree of care we went over these documents; some are signed and some are not signed with Mr. Norman's signature. Examinations were held on the 21st and 22nd. I think the 21st was a Monday. His signature appears apparently on the rating papers of all those who were examined on Tuesday. A subsequent meeting was arranged between these examiners for December 24th—the morning of December 24th—as you will see by a letter from Mr. Laidlaw, dated December 24th, 1931, and no one who came before the Board on this morning has Mr. Norman's signature on his rating sheet?—A. I could only answer that definitely by inquiring from Mr. Laidlaw, who was our representative. I quote from Mr. Laidlaw's letter of December 24th, as follows:—

> I should like to pay tribute to Mr. R. C. Playfair who represented the Department of Pensions and National Health and to Mr. S. A. Norman who represented the British Empire Service League. Both these gentlemen were extremely courteous and helpful and contributed very considerably to the examination of the candidates.

That would indicate that they were present at the examination.

Q. Would you enquire from Mr. Laidlaw as to whether Mr. Norman attended all three sittings of this examination board on December 21st, 22nd and 24th?—A. I will be glad to, Mr. Chairman.

By Mr. Bowman:

Q. Was there a minute kept of the record of the proceedings of that board? —A. Well, Mr. Laidlaw would have that record at Toronto.

By the Chairman:

Q. The oath in connection with these examinations, I notice, is not sworn by Mr. Norman?—A. You mentioned that the last day.

Q. Oh, did I?—A. You asked me to inquire into that also.

Q. I think that is all the further information I want, until you can get the files of Mr. Creswell and Mr. Reith.

By Mr. Bowman:

Q. I want to know a little more about the representative of the Canadian Legion. As a matter of fact, while he is on the oral board, in a more or less official capacity, he really has not a great deal to do with the examination, has he?—A. Except as concerns satisfying himself that the returned man receives a square deal.

Q. That is all?—A. Yes.

Q. In figuring out the weights and percentages that were given by Mr. Morgan the other day, when it comes down to a final summing up, apparently, the oral examination is given a weight of 2 and education and experience are given a weight of 3?—A. Yes, it comes to that—6 and 4 or 3 and 2. The reason is, Mr. Bowman, we try to keep these on the total basis of ten, which saves a good deal of computation?

Q. As I say, you are working it out on a percentage basis?—A. Exactly. In connection with the returned soldiers' representative, in 1918 and 1919, when the returned men were coming back in great numbers and applying in great numbers for an examination, there was naturally considerable interest, and sometimes considerable dissatisfaction, as to the application of the returned soldier preference. The Commission, at that time, thought it would be in the interest both of the Commission and the returned soldiers' themselves if a representative of the ex-soldiers' organizations was given an opportunity to be present at the ratings or examinations. This has been followed since, and I think it has generally worked out to the satisfaction of both parties.

Q. There is one thing that occurred to me, very strongly, in considering Mr. Morgan's evidence, and that is that your examination as to education and experience is based entirely on what the man himself said about himself?—A. You may add this; it is what the man himself says, plus what documents he submits or what documents are submitted by his referees. As was pointed out, in one case there was a letter submitted by the former employer of one of the candidates. Such letters would also be considered with the application statements.

Q. In other words, the man who was most diligent in getting letters of recommendation from his friends or from his office would be the man who would get, perhaps, higher markings on education and experience?—A. In so far as rating for education and experience is concerned, that is quite true.

By the Chairman:

Q. But, unfortunately, all the other applicants have no notice of the fact that they can send in such information?—A. Oh, Mr. Chairman, excuse me, on the application form the statement is made that the fullest possible information and references are desired by the Commission.

Q. And references, yes,—and the man who fills in the names of people who write into the Commission?—A. May I read the statement on the application, Mr. Chairman? These were letters referring to their qualifications for the position in question, preferably from their most recent employers, and I think that is in the interests of the applicant.

Q. Is it not a fact that you do not even bother to check up that kind of reference until the man has been examined and you have determined whether he is a successful candidate or not?—A. I quite realize that the question of verification or corroboration of statements is an important one. I do not think the Committee would feel we could possibly corroborate or check up a statement before considering it. It seems to me it is almost impossible and a useless expenditure of time. In this particular case a corroboration was made, I think, by inquiry of the records of the department of Pensions, with whom this man had had previous contact.

By Mr. Bowman:

Q. What I had in mind, I suppose you often have 100 or 200 candidates, or more, and the fellow who puffs himself up the most and gets the most recommendations from prominent people is the man who lands the job?—A. We do not accept it as final in that case, but we make our investigation. Last year we examined 27,000 applicants and I think it would be impossible to check up all those of those unfitted for the job, but if three or four or five men have the same qualifications, we would not think of giving it to the man with the most marks, without further investigation.

By the Chairman:

Q. It would be possible to see that all the applications that went to a rating board either contained all the recommendations of all the candidates or the recommendations of none of them?—A. As a matter of fact, with this procedure, all the ratings on file should go to the rating board.

Q. In this case here my recollection is nobody was rated anywhere near the first choice, Mr. Leapard; the man nearest to him had 67 and the rest were under 60, and they were out?—A. Quite right.

By Mr. Bowman:

Q. The reason he got that rating was for experience inside the department, but what about the outside experience?—A. The man had had eight years' previous experience outside the department in connection with the Soldiers' Aid Commission and that, it seems to me, should give him a pretty high rating.

Q. That, after all, is apparently the determining factor in a great many cases?—A. That brings up the unfortunate situation, when a man who is selected without a competition, has a certain period of employment on the job and comes to be rated twelve or fifteen months after. The time to take that up is the first time he goes on temporarily.

By the Chairman:

Q. I think the Secretary of the Civil Service Commission came here and solemnly swore that experience in the job in a temporary capacity was not of any value?—A. I think what he had reference to was a short term of temporary experience.

By Mr. Bowman:

Q. I think the record discloses, Mr. Chairman, that you questioned him on both cases, both emergency appointments, and even cited the instance of chief page of the House of Commons. Mr. Lawson brought up at the last sitting the question of this man Leapard receiving a separate examination?—A. Yes.

Q. Why was that?—A. I will try to repeat, as well as I can, the facts Mr. Morgan brought out. Perhaps he is better acquainted with them than I am.

Q. Just very briefly. I did not follow it very well. May I ask if there was any reason why he should not have been examined the same as the other candidates?—A. He should have been. The reason he was not, was because of a misapprehension on his part; he did not claim the disability preference on his application. I think if that point had been brought to our attention, from Toronto, and complaint had been made, he would have received that preference; if the complaint had been brought to the Commission, the man had the right to the preference and would have been examined.

Q. There was a question about his disability?—A. Yes. He said he was permanently re-established, when he was not.

Q. He had in mind permanent re-establishment in the job he was in?—A. You can understand he might answer in that way, but it was obviously unfair to him to disqualify him on that application.

By the Chairman:

Q. The reason I bring it back to your mind is that another candidate, Challenger, had been written one of the stock letters. He wrote back to the Commission two days after they had held their examination, on December 25th. Then he gets a letter from the Commission that he is too late and in any event he is disqualified because of the board rating him below 60, although they held a special examination, on the 21st January, for the man Leapard, who was already in the job, because he satisfied them there was an error in his application. They set a special examination for him, but they would not allow the other fellow to come up to have an examination.

By Mr. Bowman:

Q. Are these ratings set forth in this particular case?—A. They are fully set out on the record, general ratings for most competitions. You mean are they general ratings for most competitions, typical ratings?

Q. Yes.—A. No. This rating is not a typical case on account of the fact the department came under the Commission only in 1929 and that the legislation under which this man was being employed was in the making at the time and no one knew whether the job would last six or nine months, and the position is not such that we can say definitely yet what is going to happen. In this case that was the situation. It is for that reason I would not like it to be thought this was a typical case.

Q. Would you mind giving us the ratings of the typical class?—A. They are ratings for such positions as postal clerk, immigration officer and such. The position of clerk, Grade 3, is almost a misnomer in this instance and the man is not doing as much clerical work as he is in giving information, and there is a great multitude of the other cases compared to this. Those are, I would say, the typical examinations. I do not know whether I should take the time this morning in going into that to bring out the detail. I hope to have an opportunity, and I think the Chairman was good enough to indicate I would have an opportunity of going over the ground in the typical classes.

By the Chairman:

Q. These ratings were handed in by the Commission and are printed as Appendix "A" to our Minutes.

Mr. BOWMAN: Apparently they do not mean anything.

The CHAIRMAN: They were supposed to be typical.

The WITNESS: I think the customs examinations are much better than this as types.

The CHAIRMAN: Is there anything else, Mr. Bowman?

Mr. BOWMAN: No.

By the Chairman:

Q. Mr. Bland, I probably might clean up two other cases in connection with the competition, while I am at it. I have before me an application put in by John Reith, 3 Hemstead avenue, Toronto, 13. Would you tell me if this man was reported satisfactory for education and experience or if he was permitted to proceed to oral examination?—A. I am sorry I appear to be so slow with these papers. Reith was apparently not entitled to the disability preference or hence he was not called for the oral.

Q. Have you any way of checking that, because as a matter of fact he is a twenty per cent disability. He was an engineer before enlistment?—A. Might I see that form?

Q. I wonder if you would come up and sit beside me. It will save us a lot of time in passing around the papers?—A. The reason I said this man was not entitled to disability preference is that he states on his application he has been successfully re-established.

Q. But, up above that, he states what he is doing. He says he is a "clerk in the relief department of Department of National Pensions and Health and working for relief allowances only." Would he be considered established?—A. I presume it is more or less of a continuous job.

Q. I might take it, might I, if a man is getting relief from Christie Street Hospital, in Toronto, and working there in a clerical capacity, then the man is considered re-established?—A. I do not read it that way.

Q. That is exactly what the man is doing. I can tell you of another fellow, a University graduate, who is there peeling potatoes. The Department says: "We won't hand you out relief for nothing?"—A. If that is what he is doing, I would say the man is entitled to preference and we would be glad to have that case to act upon.

Q. I can take it this man was not rated either for education or experience nor was he permitted to proceed to oral examination?—A. That seems to be the answer from his file.

Q. And the reason is because somebody at the Civil Service Commission ruled that he was re-established, based on the following information in his application.

What position are you now holding?—A. Clerk in the relief department, D.P.N.H., working for relief allowance only.

And the further question.

Have you been successfully established in some other avocation?—

A. Yes.

Is Mr. Daley here?

Mr. DALEY: Yes.

STANLEY J. DALEY, called and sworn.

By the Chairman:

Q. What is your official position with the Civil Service Commission, Mr. Daley?—A. Chief of the clerical section, examination branch.

Q. Was this man Reith ruled re-established and, therefore, not permitted to have a rating for education and experience nor oral examination because of the information contained in his application which I just read a few minutes ago?—A. Yes.

Q. That is the whole reason?—A. Yes.

Q. Thank you. I would like to point out to the Committee that this application, in addition to what I previously stated, also bears evidence to the fact that the man has 20 per cent disability. He was engaged in engineering before the war, and then his qualifications for his education are "Cults public school, Aberdeenshire, Scotland, from $4\frac{1}{2}$ years to $9\frac{1}{2}$ years of age; Robert Gordon's College, Aberdeen, Scotland, from $9\frac{1}{2}$ years to $16\frac{1}{2}$ years of age." Tried the leaving certificate examination and passed "with honours in English, French, mathematics, chemistry, science and art."

I am omitting all his previous experience.

Since leaving the army, in 1919, his career has allowed him "to meet and mix with the public."

I was a commercial traveller in Scotland, until early in 1924.

[Mr. S. J. Daley.]

He was employed "in the Relief and Central Registry Departments of the D.P. & N.H. at Christie Street Hospital at Toronto." During this period he handled over 30,000 cases of relief and was extremely conversant with the pension laws and policies of the D.P. & N.H. At the present time has "the handling of at least 200 applicants for relief daily and has authority to grant them relief," which means that before he can do so he has to study their pensions, income, members of family working, etc., etc. This authority to grant relief has been given him despite the fact he was working on relief allowances only. He has passed both Grade 1 and 2 examinations for Clerks.

Q. Will you take the file, which I understand bears reference to a man by the name of Cresswell. Cresswell, I understand, was allowed to proceed to both oral examination and rating?—A. Yes, sir.

Q. Would you let me have it, please..

The WITNESS: He claimed, Mr. Chairman, the disability preference and was allowed it.

Q. That is all I want from Mr. Daley.

Witness discharged.

Now, Mr. Bland: I see, according to this man's application, that before enlistment he was a bricklayer. Let me get his education first, and experience, if you wish. Then bear in mind he is rated 50, which automatically puts him out, as against Leapard's rating?

Mr. BLAND: Was that at the oral examination?

The CHAIRMAN: That is at the rating for education and experience. He gets 50 marks, and previously we were told if a man gets less than 60, no matter what he might make on the oral, if allowed to try, he has no chance on the oral. He was given 77·6 as against Leapard's 91·3, and in the rating for education and experience he gets 50 against Leapard's 80. His education was public school, seventh standard, leaving at 13 years. That is practically the same as Leapard's public school education. Since 1919, he was a member of the staff of the D.S.C.R.—later the department of Pensions and Health—the first 6½ years of which an officer; he was replacement officer and loans inspector. For the past five years he had been employed in the relief section, temporarily. The duties of replacement officer consist in interviewing firms and placing students, placing them in trades that would fit their disability; keeping in touch with the Commission. The duties of inspector of loans consisted, when student had finished his vocational training, if his record was satisfactory to the department, in obtaining a loan to help him carry along in business along the line of training.

Inspector's duty: Valuations of business being bought, equipment, etc.; calling upon them weekly, semi-monthly and monthly for a period of five years. Investigations were for anything pertaining to pensions, relief, departmental inquiries.

Relief section: Counter clerk; reviewing medical files as to entitlement and eligibility for relief and the amounts set for applicants and passing of same to order clerks, "Through coming in contact with thousands of cases, I naturally was called upon to inquire from Pensions Commissioners as to entitlements, medical, pension and treatment procedure, and have gained knowledge thereby, which I believe would fit me for this position."

I might explain also the reason for my not being absorbed into the Civil Service was, when loans were repaid, I became surplus to staff. I have worked each winter for the department, Pensions, National Health, during relief period, also a few months in central registry; familiar with all departments of P. & N. H. procedures.

By Mr. Bowman:

Q. Is there anything to account, Mr. Bland, for a man having all that experience, and apparently, having the same education as Leapard, to explain the different rating for experience?—A. Yes, of course the experience he quotes there was valuable, yet at the same time it was not as valuable as Leapard's, for the work of this particular position. These people must know something about the actual procedure and the actual requirements regarding pensions.

By the Chairman:

Q. This man does know. This man's former chief in the Department of Pensions and National Health wrote a letter which was apparently attached to his application. It reads:

352 Christie Street.

Mr. F. C. Cresswell,
Building.

Dear Mr. Cresswell:

I have been given instructions that you are to be replaced by a successful candidate in the recent examination set by the Civil Service Commission . . .

May I take this opportunity of thanking you very much indeed for the services you have rendered, which have been entirely satisfactory, and should you at any time desire references for a prospective employer, I shall be most happy to testify as to your good work whilst in the Central Registry.

W. Leslie Flemming,
for District Administrator.

You see, this man appears to have quite a broad experience?—A. I think the experience has been so broad it has not been centralized on the particular kind of experience needed for this job.

By Mr. Bowman:

Q. What particular kind of experience is required for this particular job? —A. May I suggest, as Colonel Topp and Major Wright are here and are more familiar with this matter and are to be called as witnesses, that they should be asked that question.

Q. What is there out of the ordinary in this particular job?—A. In order to be of any use in it, the appointee must have had extensive experience in dealing with pensions claims, that is, he must know how claims should be made out, what the departmental regulations are governing pensions, how best he can assist the applicant in making out a claim for consideration. Experience in administrative work would not necessarily have any direct bearing on work of this kind. Leapard's experience was specifically in making out pension claims.

By the Chairman:

Q. Because he had been in the department; so had been Challenger?—A. I think the evidence shows that Challenger's work was hardly on pension claims.

Q. Is it not a fact that the work Leapard does is to make out these claims in order that they may be handed to Harry Bray, or one of his assistants, who hand them to the office of the Tribunal on behalf of the soldier?—A. That is a point I would like to have Colonel Topp heard on as a witness.

By Mr. Bowman:

Q. I cannot see why this man was given only 59 on education and experience. If there was ever a man should pass he should pass. Otherwise how is a man ever going to get a job in a department?—A. I do not think Creswell had the experience Leapard had. Might I bring in one point. I find on the file there is a letter I had not quoted before. On January 14th, Reith was advised of the reason he was not called for examination, namely, for the reason he said he had been successfully re-established. Reith did not give any further reply to the Commission, asking for a further examination.

Q. Apparently there was a letter written by Cresswell to somebody on the Civil Service Commission, apparently the Secretary, on January 29th, in which Mr. Cresswell acknowledges receipt of a letter in which apparently he was advised that he had been successful at some competition. I see Cresswell's letter in the file but I cannot see the letter, which was written by the Secretary. I wonder if you could locate that for me?

I read, gentlemen, from a letter by Mr. Cresswell to the Civil Service Commission, dated January 29th, 1931 (attention of Mr. Foran), the following excerpt:—

> Receipt of your letter of the 23rd is acknowledged advising and declaring me successful and securing sixth place in the recent competition.

If there is such a letter advising this man that he had been successful and received sixth place, then there must be some error in the sworn information which Mr. Morgan gave me, that once a man got a rating of less than fifty per cent, or sixty per cent, he could not be further considered, and, therefore, could not be successful. Is not that correct?

Mr. Bland: There has to be an explanation. I will have to find that letter.

The Chairman: Well, we will let it stand until you can find the letter. That is all I want to clear up on this aspect of it in the meantime.

Witness retired.

Adrian M. Wright, called and sworn.

By the Chairman:

Q. What are the initials, Major Wright?—A. A. M.

Mr. Bland: May I interrupt for a moment, Mr. Chairman? I have found what you want. The letter to Mr. Creswell was in reference to an examination that had taken place for the position of cleaner and helper, a different competition in which he was sixth. Would you like me to file the letter? It reads:—

January 23, 1932.

> Dear Sir,—We are very pleased to advise you that as a result of the competition for cleaner and helper in which you registered, you have been declared successful, having secured sixth place on the list of those qualified for employment of this nature at Toronto.

He evidently was an applicant for two positions at the same time.

By the Chairman:

Q. Major Wright, what is your official position with the Department of Pensions and National Health?—A. Chief Administrative Assistant.

Q. And you were a member of what I call the Rating Board, to rate education and experience of candidates in open competition No. 21599?—A. Yes, sir.

Q. Did anyone, Major Wright, either before you made that rating, or during the time you were making that rating, speak to you in connection with any of the candidates whom you were to rate, or make any recommendations to you personally in connection with them?—A. No, sir.

Q. Not of any kind?—A. Not of any kind.

Q. So that I can take it your sworn testimony is that at the time you made the rating you had not been approached by anybody in connection with any of those candidates?—A. That is right, sir.

Q. Did you know any of them personally?—A. I did—Mr. Leapard.

Q. How long ago?—A. I think it was in October, 1931—I saw him in Toronto.

Q. And what was the occasion of that meeting?—A. The occasion of that meeting was that I was asked by the Assistant Deputy Minister to go down to Toronto, and there, with the financial comptroller of the department, to look into the question of the Veterans' Bureau branch in Toronto, because Mr. Bray at that time had pointed out that he required additional staff over and above what he had. The Assistant Deputy Minister wanted to have some investigation made into the question as to whether any additional staff was necessary over and above what they already had there.

Q. So you had really been one of those who had gone up to look over the necessity for creating what is a permanent position, this very position which Mr. Leapard was holding as a temporary employee?—A. No, sir, if I might explain—

Q. You among others?—A. No, it was a question of whether there should be any more staff and above Leapard.

Q. Any more in addition to Leapard?—A. Quite, sir. May I say that there appears to be perhaps a misapprehension in connection with these proceedings. There was no permanent vacancy. Even yet there is no permanent vacancy in Toronto.

Q. Now, just what does that mean?—A. If I might make a brief statement just to give you an idea, sir, of what has led up to this whole thing: In the summer of 1930, after the amendments to the Pensions Act of 1930 had been promulgated, the amendments provided for the creation of a new organization known as the Veterans' Bureau. The tribunal was created and the appeal court. In the summer the department proceeded to endeavour to set up an establishment, with the concurrence of the Civil Service Commission, to create the necessary organization for these new bodies. We had nothing whatever to go on. At that time we had no idea how big the situation was going to be. We created a permanent establishment which was approved by the Treasury Board, with a certain number of clerical help at head office and stenographic assistance, but no provision was made for clerical assistance in the districts. It was felt at that time that most probably the pension advocates, with such assistants that might be appointed under the authority of the Pensions Act approved by the Governor in Council, would be able to carry on, probably without clerical assistance—

Q. Would or would not?—A. Would. We had nothing to go on at that time to base our assumption on what would be required. In September that same year the War Veterans' Allowance Act was passed. It was on September the 27th, I think, 1930, that a lot of these pension advocates were appointed by Order in Council. The Act became operative on the 1st October, 1930. We were immediately absolutely inundated with applicants of all sorts.

Q. We are all familiar with the situation.—A. It became apparent in October, 1930, that the department had not realized that it was necessary to provide clerical assistance. I think it was in November, 1930, that Colonel Topp, Chief Pensions Advocate in charge of this branch of the department's

work, reviewed the situation. A communication was sent to the Civil Service Commission with a view to setting up a permanent establishment such as we thought would be required for clerical assistance to the pensions advocates. The Civil Service Commission approved of same, and Mr. Putnam came down to our head office and went over the whole situation with us, and it was approved by the three Civil Service Commissioners and our Minister.

Q. Might I say this, we are not interested in investigating the motives which created positions, or anything else.—A. The point I am trying to make, Mr. Chairman, is that at the time the original application for Mr. Leapard's services went in, we did not know exactly what the situation was going to be, and we expected, at that time, that there would be forthcoming in the near future a permanent establishment, which has never yet been given to us, and it was on that account really that the rather nebulous application went in to the Department in the first place. The reason why it was more specific in the second instance was that in the interim the Treasury Board had refused to grant the establishment we had asked for, and there is still no establishment. I think that possibly some have an impression that this competition was held in order to fill a permanent vacancy. There is no permanent vacancy even yet.

By Mr. Bowman:

Q. That is what was in mind when the competition was called for?—A. No, sir.

Mr. Bowman: In any event, I cannot see that it makes an awful lot of difference to what took place.

The Chairman: All we are trying to do is to find out whether certain broad sworn statements made before this Committee are borne out by facts, and I say to you that we have had a number of matters brought to our attention which we are going to bring up here, 1, 2, 3, to test out the matter.

You say you met Mr. Leapard in Toronto last October?

The Witness: Yes, sir.

By the Chairman:

Q. Was it merely that you incidentally came in touch with him in the course of carrying out your duties in the department?—A. Precisely.

Q. Did you have the opportunity, while you were there, to observe his work, what he was doing, and the character of it?—A. Just incidentally, that is, in so far as reviewing the procedure that they were carrying out.

Q. Did you talk to the man?—A. I talked to the man, yes.

Q. Concerning his work?—A. Concerning the work of the department, not concerning his own work. That is, I talked to him with reference to the question as to whether the work could not be speeded up in some way, in order to avoid having an additional staff assigned.

Q. May I ask if, in your opinion, Mr. Leapard is still the best qualified man for this position?—A. I think he is, sir.

Q. And you thought so at the time the ratings for education and experience were given?—A. I thought that at the time those ratings were given.

Q. And still do?—A. Still think so.

Q. By reason, I assume, of the fact that he has had the experience in this very particular work, in this particular job which nobody else has had?—A. Plus the fact, sir, that he had had eight years' experience with the Soldiers' Aid Commission doing the very same kind of work.

The Chairman: That is all, thank you.

[Major A. M. Wright.]

By Mr. Bowman:

Q. By the way, just what out of the ordinary duties did Mr. Leapard have to perform?—A. Well, I would say this, sir, that ordinary clerk grade 3 duties would probably be concerned with routine correspondence, filing practices and things such as that; but in this particular instance—

Q. Grade 3?—A. Grade 3, yes.

Q. Are the ordinary duties of a clerk grade 3, filing and things of that sort?—A. No, not actually in so far as the filing itself, but in so far as you have got a clerk grade 3, in the accounts branch, it would probably be a different category job than grade 3, for example, in some other branch of the department. The difference in this case is that Mr. Leapard, in addition to doing ordinary clerical work, was actually interviewing those applicants for assistance and getting their cases proceeded with before the tribunal or the Pensions Board.

Q. He was taking the applications, filling out forms— —A. No, not necessarily, sir. He may have filled in application forms but his chief work, I would say, would be if a man would come in to him and say, "Now, I was refused pension on such and such a date by the B.P.C., I want to appeal my case before the tribunal." Leapard would thereupon go through the file and ascertain as to the grounds on which the Board refused this application and endeavour to satisfy himself as to what additional evidence would be required in order to re-present that case without any difficulty and with satisfaction to the tribunal, that is to say, it may be the man did not produce satisfactory evidence, and it might be possible to advise the man, "If you can get a doctor's certificate showing that there was continuity in a certain disability from such and such a time to such and such a time, you might have some chance of having your case re-opened."

Q. Was that his position in the office of the soldiers' advocate in Toronto? —A. Pensions Advocate, yes, sir. In other words, he was, in a sense, preparing cases for the Pensions Advocate up to a certain point. That is to say, that the Pensions Advocate—

Q. He took the information for the Pensions Advocate?—A. Yes, and he probably went further. That is, he probably actually advised the man as to what was necessary for him to do in order to proceed with his case.

Q. But what was out of the ordinary about it all, I have not heard anything yet?—A. Just that fact, sir.

Q. After all, that was nothing particularly out of the ordinary for a man who could fill the position of clerk, grade 3.—A. I think he would require to have some special knowledge, sir, as to how to go about finding these cases and as to what the B.P.C.—

By the Chairman:

Q. Major Wright, could not a man take the Pensions Act and the Regulations of the department and get the whole thing up in a week; could not a man of ordinary intelligence filling a grade 3 position do that?—A. I would not say so, sir.

By Mr. Bowman:

Q. And the man that had the experience of Mr. Reith—

The CHAIRMAN: Jack Reith's file, please.

By Mr. Bowman:

Q. Do you remember the qualifications of this man Reith that is mentioned? —A. I don't think his case came before the oral board at all, sir. There is just another point I would like to make, sir, if I may. In 1918, or in 1919, during which time some of these men had stated that they had had experience, the Board of Pension Commissioners had their own office in Toronto. It was in a different

building, entirely from where these chaps who were carrying on with vocational training, and so on, and I do not think they would have any possibility of coming into contact with the pensions aspect. A person would have to have some knowledge of the Act in order to be able to fill this position.

The CHAIRMAN: Creswell was the man, Mr. Bowman, who had thirteen years' experience.

Mr. BOWMAN: Let Mr. Wright see that file as to Mr. Creswell's experience.

The WITNESS: May I just comment on this, sir? The vocational man who was running that vocational training would have no possibility, I think, of coming into contact with the question—

By the Chairman:

Q. Respecting Creswell's application, and his experience, wouldn't you think a man who had successfully held a job in your own department for six and a half years with a high recommendation from his superior officer showing adaptability to secure knowledge of pension procedure in a very short time—would be able to hold down such a position.—A. I think probably he would.

By Mr. Bowman:

Q. That is the point that strikes me, Major. It seems rather odd that that man only got a mark of fifty, with all the experience that he has. In any general position, you can hardly expect a man to step into a position and know the routine details of a department.—A. Quite true, sir, but the fact remains, in my opinion that what was required, so far as the department was concerned, was to have someone who could come right in and do that work. Colonel Topp can tell you, if he is asked, just exactly what the position is now. Approximately 25 per cent of the pensioners in Canada reside in the Toronto area, and the Bureau is absolutely inundated right now. I don't know how they are going to get on.

By the Chairman:

Q. May I inform you that the statement of District Pension Advocate, Mr. Harry Bray, made last Thursday or Friday, was that all the cases in the Toronto district were right up to date?—A. This is the point I want to make—this was a temporary position to be filled—I cannot say even at this date—even after the Act has been in force since October, 1930—I would not like to express the opinion that within any certain time it will be possible to do away with this temporary help, and I would not like to say, right now, that these temporary positions are going to be required for a definite period.

Mr. BOWMAN: That really has no bearing on the matter that we have in mind.

The WITNESS: Well, to this extent, sir: What appeared to be necessary to do was to provide the necessary assistance at that time to enable us to get along with our job.

Q. Really, Major Wright, it came down to this in the end, that you picked a man who was on the job, who had the experience in that particular branch?—A. No, sir, I would not say that.

Q. You would not say that?—A. No, I would not say that. If there had been anybody else, among the former employees, who had had the same experience as Mr. Leapard, I would not have hesitated to have rated him higher.

Q. I know that, but that was the very reason you rated Leapard higher, because he had the experience in that particular position.—A. I would not say that that was the factor in mind. The fact is that he had been doing this work for seven or eight years with the Soldiers Aid Commission.

Q. And he had been doing the same work in that same position for some considerable time?—A. He had got an edge in that respect.

Q. I would think you would be a very poor examiner if you did not give some weight to that.—A. But that was not the sole consideration.

Q. It was the main one?—A. It was between that and his previous experience.

Q. And, after all, it did not take much perhaps to rate him a little higher than the next in order?—A. Precisely.

By the Chairman:

Q. I would like to ask something. When the rating board sat on all those candidates, did you know that if you rated a man less than sixty per cent. you automatically put him out of the running for the position, that no matter how high he stood on his oral he could not get the job?—A. I will have to admit I did not.

Q. It struck me as rather significant that there were only two men rated higher than 60 per cent, and they were the two men who were recommended for the two jobs, namely, Leapard, with a rating of eighty per cent. and Blank with a rating of sixty-seven per cent. You were not aware of that?—A. I wasn't aware of that, at the time.

Q. Having been through the experience of considering what was in the interest of the department, in order to get efficiency, if the department had had the sole choice of a man to fill the position, and you had sat in the capacity of making the choice, would Leapard have been your choice?—A. Yes, sir.

Q. So that the result of all this circuitous business of holding a rating board, advertising an open competition, paying to hold examinations, is that the man whom you would have selected, in any event, is in the position?—A. It happened in this case. It might not always happen.

Q. Do you not think, then, that your department could function and obtain just as satisfactory appointments for positions such as clerks, grade 1, 2 and 3, if the departmental officials alone had the choice of those employees? —A. That is rather difficult of answer, sir. So far as the ordinary positions are concerned, that is, clerks grade 1 and 2, we certainly have no complaint at all as to the personnel that have been selected by the Civil Service Commission.

Q. I should not think you would if you always got your own choice.—A. No, but I mean with grades 1 and 2. Those are always written examinations. That is a routine examination held by the Commission.

Witness discharged.

CHARLES BERESFORD TOPP, called and sworn.

By the Chairman:

Q. Colonel, you were a member of the Rating Board who rated the candidates on the applications submitted to you for competition No. 21599?—A. I was, sir.

Q. And I assume that you concurred in the ratings which were made and which are now recorded in the files?—A. I have.

Q. Did you know Mr. Leapard personally before these ratings were made? —A. Yes, I did.

Q. For how long, Colonel?—A. Since October, 1930.

Q. And did you come to know him in the same way as Major Wright, as a result of going to Toronto to go into the establishment of a branch of the department of Pensions and National Health?—A. Exactly. I knew him only as an employee of my own department in a junior capacity. I only have a very slight knowledge of him.

Q. And while you were in Toronto, Colonel Topp, did you have an opportunity, in October, 1931, of observing this man's work and the nature of the work he was doing?—A. I made a point of doing so, yes.

Q. And was it satisfactory to you?—A. Entirely so.

Q. So that when this man's name came before you for rating on experience you already had a personal knowledge of his ability to do the work?—A. I did.

Q. And of his knowledge of departmental procedure, pension laws and so forth?—A. I did.

Q. And was that one of the contributing factors in your rating him so highly?—A. Unquestionably, sir.

Q. And if you had had the chance, or the choice of the employees of this department, without reference to the Civil Service Commission, or anybody else on the rating board, you would have chosen this man Leapard for the position?—A. I would, sir, yes.

Q. Did you either before the Rating Board sat or at the sitting of the Rating Board, advise your fellow members of your knowledge of this man Leapard and his ability and so forth, from your personal observations?—A. I do not recall having advised them of my knowledge of the man personally. I did advise them very emphatically of the necessity of having a man of most extensive experience in this position, and expressed my opinion—I think quite emphatically—that Leapard's experience was, in my opinion, the type of experience required for this particular work.

Q. Yes. And I presume, Colonel Topp, so far as you were concerned, that was the dominating factor in rating this man so highly?—A. It was, sir, unquestionably. I was responsible for looking after the interests of pension applicants up there, and in Toronto particularly, where about one-third of the applications we have before us emanate, we have a most arduous task. To place a man without the most complete and intimate experience of the Pension Act in a position of that sort would very very seriously handicap the work of the District Advocate.

Q. By the way, Colonel Topp, I do not believe it is on record, you are the chief pensions advocate for Canada, are you not?—A. I am the Chief Pensions Advocate for Canada, and I am responsible under the minister for the administration of the Veterans' Bureau.

Q. And your desire is to give the greatest service possible to those veterans who are seeking to establish their right to pensions?—A. Not only my desire, but it is my duty to do so, sir.

Q. I will change the word "desire" for "duty." I think that is all I want to ask, Colonel Topp. Thank you very much, Colonel, for your utter frankness, in the situation.

I have nothing else I want to develop in competition 21599. I think I have established the point I started after.

The Committee was informed the other day that Mr. Gaboury, the Deputy Postmaster General, was not then available, and so I asked the Clerk to have Mr. Coolican and Mr. Underwood here to-day instead. Are they here?

As there is only a half hour left this morning, we might better adjourn. I presume the Committee will not want to sit this afternoon.

Mr. Bowman: We might spend a few moments, if the Committee think it desirable, in questioning Mr. Bland on a few matters that I have in mind.

Witness discharged.

C. H. BLAND, recalled.

By Mr. Bowman:

Q. Mr. Bland, I have been particularly struck with the amount of routine proceedings, and more or less red tape, that has taken place with regard to examinations and appointments of caretakers and watchmen and such minor positions as that in the various departments. Now, I read into the record the other day, you will remember, letters passing between Mr. Brown, who, I think, was the assistant deputy in the department of National Defence, and yourself in regard to the appointment of caretakers at outside points.—A. Yes, Mr. Bowman.

Q. Now, would you mind detailing, Mr. Bland, what examination of any kind, if any, takes place, for instance, with respect to the appointment of a caretaker in Saskatoon, or Winnipeg, or such outside point?—A. The examination for a caretaker, in the department of National Defence, consists of two parts,—an oral examination given at the nearest centre, usually at the place where the vacancy exists, and a rating on education and experience given in the Commission; the oral examination being given a weight of seven, and the education and experience rating being given a weight of three. In the oral examination the applications are received usually by the local supervisor of the Commission in order to eliminate the delay that Mr. Brown mentioned had existed on prior occasions. The examining board for the oral examination consists of the commission's local representative, the local officer of the department, who is usually officer in charge of the armoury in question, and, where required, a representative of ex-service men. The object of having the oral examination locally, and of having the officer in charge of the armoury concerned taking part in it, is to secure as accurate information as possible regarding the type of man, and the standing of the man in the community, and his consequent qualifications for the position as caretaker of that particular armoury. For example, one man may be for infantry purposes. One caretaker may be required to look after infantry equipment; and in another case he may be required to look after artillery equipment, which is a very different thing. The local board sees the applicants resident in the town, and reports upon them from the point of view of standing in the community, character and career in the community, and general intelligence.

Q. Factor No. 1, intelligence.—A. General intelligence and knowledge, capacity to perform the duties, ability to get on with people. By that I mean the ability to make a satisfactory caretaker in the unit where he will have to deal with a number of higher officers, and of course, physical fitness for the duties.

Q. Now, at this examination, can you enumerate the— —A. Well, I shall be glad to file a form with the Committee.

Q. —ratings. Can you tell me now, what rates are given?—A. I am sorry, Mr. Bowman, I did not expect to be called on this question and I have not a form with me. I do not know that I can give it to you from memory. I think there are four factors in the caretaker rating. I think the first one is career and standing. I am not positive as to the weight, but I think it is four for that. These are subject to correction. The second one is general intelligence and knowledge of the duties, knowledge of the equipment concerned. I think that is—I am not sure of those weights. I had better leave that out, Mr. Bowman, I may be wrong. The third one is the faculty to get on with his superior officers. In other words, his ability to give satisfactory service to his superiors; and the fourth is his physical fitness. As I say, that report is made jointly; the ratings are given under joint consultation with officers in charge of the armoury and our local representative, and a representative of the

returned soldiers. I must say though in some of those towns, we would not have a representative, and the rating would be made by the department officer in charge, alone.

Q. Take, for instance, the small towns to which you referred, Mr. Bland, why do you not have a representative of the department make the appointment for that town?—A. In the small town a report is made by the representative of the department—

Q. Why not just simply permit the representative of the department to make the appointment and be done with it. Give me your frank opinion, Mr. Bland, if that would not be the best way to do it?—A. I do not think I can put it better, Mr. Bowman, than the way Mr. Desbarats put it to the Committee the other day. I think he put it excellently.

By the Chairman:

Q. Frankly, I know you are in a very difficult position, as you are a Civil Service employee and chief of the examination branch of the Civil Service Commission. It seems to me that a great deal of the time of men of your intelligence and some of the other examiners, is wasted on a lot of this stuff in little small jobs that do not amount to a hill of beans.

By Mr. Bowman:

Q. After you have gone through all those rating proceedings and given weights of four or five in these things, an oral examination is then given?—A. Then the men are rated, yes, on their experience, education and experience, with a weight of three.

Q. What is the basis of that?—A. That is based on the sworn statement made by the men on their application forms.

Q. That is on their application forms?—A. Yes.

Q. Just as in the Leapard case?—A. Just as in the Leapard case.

Q. What ratings and weights do they get there?—A. It is dependent upon the nature of their duties. Education, not a particularly important factor, probably gets a weight of three out of ten. Then experience in the handling of equipment in question is very important. In an infantry armoury, a man should have some experience in handling infantry equipment or something of a similar nature. In the matter of an artillery armory the same thing applies—there is not much use in having a man unless he previously had something to do with artillery equipment.

Q. He is examined by the man in charge?—A. The man in charge, who is responsible for the staffs and material in that department.

By the Chairman:

Q. He is the man in charge?—A. He is the man who will do the questioning of the candidates.

Q. The O.C. of each unit?—A. Yes.

Q. Who is responsible for the equipment?—A. I must say you find a great variety of opinions between Os.C. One O.C. thinks one man is best for his particular purposes, and another O.C. has a very different opinion.

Mr. Bowman: It is very fortunate that they have separate jurisdiction?

Witness: Quite.

The Chairman: So far as the army is concerned, there is always the G.O.C.

By Mr. Bowman:

Q. When you get the rating on education and experience, does it all come back to Ottawa?—A. Those are made out in the Commission.

Q. I beg your pardon?—A. Those are made in the Commission offices.

Q. At Ottawa?—A. Yes.

Q. That is on the man's application?—A. Yes.

Q. What he says about himself?—A. Yes.

Q. And if he has recommendations, on what the recommendations say?—A. Yes. I do not mind saying right here, I think that the value one might place upon a weighting on education and experience in such cases as caretakers and watchman is not a great deal. I say that a good oral examination by a man who knows his job in such cases is a primary factor.

Q. By the man who knows what the duties are?—A. As I say, by a man who knows his job.

By the Chairman:

Q. You have got to have an old soldier who has been in the orderly room, or something of that kind, or with the quartermaster sergeant.—A. There are various opinions of quartermaster sergeants.

By Mr. Bowman:

Q. I do not care what rank he has. But do not those general remarks that I am making in respect to caretakers apply with respect to watchmen?—A. Yes, I think they fall in the same class, Mr. Bowman.

Q. What other class would you say?—A. Well, minor watchmen. Of course, you must differentiate between watchmen. I mean, Mr. Brown the other day referred to watchmen at the salary of $200. That is a very different job from a watchman who gets $1,000 in charge of a large armoury.

Q. Enumerate them.—A. I would say minor and major watchmen, cleaners and helpers.

Q. What other positions do you think are in the same class, Mr. Bland?—A. Those are the major positions, I think, Mr. Bowman. Those are the positions which occur in the greatest number.

Q. What about the positions of elevator operator?—A. The elevator operator is in a different category for this reason: the great majority of elevator operator positions, in the past five or ten years, have been filled either by the promotion of cleaners and helpers from the staff of the departments, or by the training of returned disabled soldiers for that particular job. They are not thrown open for competition in the same sense. They are not thrown open for public competition in the same way. They are a class reserved for disabled returned soldiers.

Q. In so far as the order of choosing them is concerned, they are more or less in the same class?—A. Yes, quite.

Q. In the class to which I have already referred?—A. Quite right.

Q. There are others I have in mind, but I just cannot think of what they are.

The CHAIRMAN: I am going to let you know; I have a list of those that call for an oral examination, and I am going to get Mr. Bland to run through them.

By Mr. Bowman:

Q. Guards, customs guards?—A. Yes.

Q. And customs truck men?—A. I wonder if Mr. McEvoy could let me have that list for a moment.

The CHAIRMAN: Yes.

WITNESS: These are the cases, Mr. Bowman, in which the examination consists of oral—

Mr. BOWMAN: Would you be good enough to enumerate them so we will have them on the record?

WITNESS: Caretaker, cleaner and helper, clerk of works, customs guard, customs truckman, elevator operator—though I would like to make a reservation in regard to the elevator operator.

By Mr. Bowman:

Q. The reservation that you have already enumerated?—A. Yes. I think it is very desirable and a very helpful matter for disabled returned men. Fisheries inspector, graduate nurse—I do not think that I would include them in the same category. They are different jobs.

Q. I can see quite a distinction there.—A. Yes. Hospital guard, hospital orderly, immigration guard, inspector of construction, minor customs positions,—where they are part time on the job, and the salary is very low,—packer and helper, park warden, truckman and watchman.

By the Chairman:

Q. You are not forgetting local postmasters?—A. I do not think they will be forgotten. While these are the positions that more or less fall into the category where oral examination is the best type of examination—

By Mr. Bowman:

Q. Would you go on with your lists? You gave us packer and helper?—A. I am sorry.

Q. Park warden?—A. Yes, park warden. I did not mention prison guard, because I think prison guard is in a little different category, again. The experience we have had in the past with disciplinary officers in Kingston penitentiary, for example, and in St. Vincent de Paul penitentiary, is such that one could hardly put prison guards in the same category as the lower grade manual men. It is a different type.

By the Chairman:

Q. If I might be excused, by the way, I know something about prisons, I go there frequently.

Mr. CHEVRIER: For how long?

The CHAIRMAN: Fortunately, for a short duration. At the present time, in the selecting of guards for a prison, the warden has a good deal to say as to the type of man he is to get.

The WITNESS: Yes. Perhaps I could put it this way, in the selection of prison guards, the warden has every opportunity to select and compare and rate the men whom he considers the most suitable for that type of employment.

Q. I should think that very necessary.—A. I think that has worked out pretty satisfactorily, because you will remember in a recent press article one of the wardens commented most favourably upon the type of guard he had been able to secure under the present system of personal choice.

By Mr. Bowman:

Q. Then, stationary engineers, you have included them?—A. Yes.

Q. And truckmen and watchmen?—A. Yes, I included them too.

Q. Would you say, if a different method from the present were adopted, it would save considerable routine and more or less red tape?—A. I think in the these positions, Mr. Bowman, the rating on education and experience might—instead of being given as now by the Commission—be included in the oral examination given by the officers who know the type—

Q. In other words, you would put the responsibility for those particular positions on the Officer Commanding in one case, where is was a storekeeper in an armoury, or upon the particular man to whom this employee must be responsible?—A. I think that he should certainly be the questioning officer in an oral examination of this kind, but I would like to say this, that we find in many such cases, I think in the majority of such cases, the local officers do appreciate the fact that associated with them is a representative of the Commission. I think they feel it gives them an element of protection.

Q. And if that work were done by these men, it would just leave that much more time for you and your staff to devote to positions that were of some importance and upon which your knowledge would be of some value?—A. Yes, that is true.

The CHAIRMAN: Thank you, Mr. Bland. Well, then, I assume we shall meet to-morrow morning at eleven.

Committee adjourned until April 12th, at eleven o'clock.

House of Commons,

April 12, 1932.

The Select Standing Committee to inquire into appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 11 o'clock a.m., Mr. Lawson presiding.

The Chairman: Gentlemen, I am told that it would have been well, at the beginning of our sittings, to have elected a vice chairman, so if the Chairman should die, or anything, the Committee could carry on. I notice Mr. Bowman's name is second on the list of this Committee, as named by the House, and I think he should be given the vice chairmanship. Would that meet with your approval?

Mr. Chevrier: I am quite satisfied.

Louis Joseph Gaboury, called and sworn.

By the Chairman:

Q. You are Deputy Postmaster General, Mr. Gaboury?—A. Yes, since 1923.

Q. The Committee asked that you come to give us the benefit of any suggestions you might have in connection with Civil Service matters, Civil Service Commission control of appointments in your department, promotions, both with respect to the inside and outside postal service. Would you just let us have any information you care to in connection with the matter?—A. Yes, sir. That is respecting the Civil Service Act. May I read from my statements?

Q. Yes.—A.

My representations as to changes which might be made in connection with the working of the Civil Service Act, are not extensive. In general, we have experienced no great difficulty and our relations with the Civil Service Commission are of a fairly happy nature. The only suggestions I have to make deal with reclassifications and reorganization.

In these matters we feel that more weight might be given to departmental views, as is the case with promotions. I believe that nearly every witness has agreed that the present promotional system is working out very satisfactorily and it has also been indicated that a department's recommendations are generally accepted. In other words, the Civil Service Commission and the staffs of departments agree that the Deputies handle the promotional system quite agreeably to all concerned and in the public interest.

When it comes to reclassifications, the departments run up against something of a stone wall, inasmuch as the majority of their recommendations are not followed and, from the point of view of the employee concerned, one particularly annoying feature is the thought that only one side of the case has really been presented, namely, the view of the Organization Branch.

The situation is that, owing to added responsibilities, particular fitness for the position, or other similar cause, the department considers that a certain employee, or group of employees, are entitled to a higher

rating. They send a request to the Commission to investigate these claims and in due course an investigator appears and makes some enquiries. The exact nature of his report is usually not known and too frequently the case is closed out by a formal report that the Commissioners have decided against any change in the classification. I realize that we can not expect the Civil Service Commission to accept the department's views in every case, but more consideration might be given to them if there could be a little freer discussion before the decision is reached. Some investigators do thoroughly discuss the case with departmental officers before making their report, and when this is done the department feels that it has had a fair deal. Other investigators are secretive, however, and then we feel that we are working in the dark.

My suggestion, and I believe it has been advanced in effect by other witnesses, is that before a decision is made a copy of the investigator's report be sent to the head of the department for his comments, and then the Commissioners will have two sides of the case on which to base their judgment. If necessary, they should even go farther and call for a departmental representative to present the department's case. This seems the fair course to follow because after all the Commissioners should be a judicial body and should not close out a case solely on the secret report of an investigator who, in the short study he necessarily gives to the case, may have some misconceptions as to the actual facts.

By Mr. Bowman:

Q. That is referring to reclassification now?—A. Yes.

Now, on the matter of reorganization, my own feeling is that if a departmental head is worthy of his position he will naturally be interested in organizing his department on the best possible basis, and that he and his officers are in the best position to make recommendations, owing to their intimate knowledge of the situation. For that reason the department's views should be given the first consideration.

I really do not care to suggest any definite procedure, because the cure might turn out to be worse than the disease.

At the risk of repeating, I would like to say again that in both reclassification and reorganization the Civil Service Commission should attach more weight to a department's representations. The thought naturally arises that this might involve increase in cost because the Organization Branch is now said to act as a brake on expenditure. However, the yearly estimates and the Treasury Board review of all cases should be a sufficient brake on departmental heads. Deputy ministers are not likely to run wild on recommendations for reclassification or reorganization knowing that they will be judged by results, and that any increase in cost of administration will have to be explained. After all that is the way a manager is judged in outside business, namely, by results.

By the Chairman:

Q. You said, Mr. Gaboury, that in nearly all cases of promotion the Civil Service Commission acted on the recommendation of the department?—A. Well, we can say yes. We have no difficulty with promotions.

Q. And the reason you have no difficulty is, because, generally speaking, the Civil Service Commission acts on the recommendation of the department?—A. Because we co-operate.

Q. Let me see if I can get something definite from that. In what percentage of the cases would you say the Civil Service Commission refuses to accept the recommendation of the department, in matters of promotion?—A. Very few.

Q. Who is the man in your department who has direct charge of revenue postmasters, rural postmasters, etc.?—A. That is the operation branch.

Q. Who would be the man who would come in contact with these people?—A. It would be Mr. Coolican, the Assistant Deputy Postmaster General, with Mr. Underwood as the immediate contact.

By Mr. Bowman:

Q. Your suggestion with regard to any reorganization in the department is that that be left pretty well to the department itself?—A. What I mean is to co-operate. Any reorganization should be started with the department because of the difficulties we have. We see it first; then, if we have co-operation with the Civil Service Commission, we have no trouble. We had some reorganization in 1919, or 1920.

Q. Not since then?—A. Yes, in the Financial Branch we had quite extensive reorganization in regard to the audit work—to speed up adjustments. We started the work in the two reorganizations, we set up a frame work and we had the Commission criticize it and we came to a compact which has given very good results.

Q. Was that plan of reorganization in that way pretty well adopted by the Commission?—A. Practically everything.

By the Chairman:

Q. If in a large percentage of cases of promotion the Civil Service Commission accept the recommendation of your department, is there any real necessity of interposing the Civil Service Commission between the will of your departmental officials and the person to be promoted?—A. It would be difficult, we are working with the existing machinery.

By Mr. MacInnis:

Q. You say, in the matter of promotions, the relations between your department and the Civil Service Commission are very satisfactory?—A. Yes.

Q. Am I to take it that you think the reason they are so satisfactory is that the Commission accepts your recommendation for promotion?—A. There are certain ramifications. It goes from one branch, or a division, to the Assistant Deputy Postmaster General, or myself, but most of them which we send to the Commission are accepted.

Q. In the matter of promotions, you say your relationship with the Commission is very satisfactory, because the Commission accepts your recommendations but, in the matter of reclassification, it is not so satisfactory, because the Commission does not accept your recommendations?—A. Well, I cannot blame them perhaps, but we do not know why. We want to know why they refuse to discuss it with us.

Q. Do they refuse to discuss it?—A. Absolutely. They say, "It has been decided so and so," and that is all.

By Mr. Laurin:

Q. When it is a question of promotion, you admit you have no trouble with the Commissioners of the Civil Service Commission?—A. We might have a little trouble, but it is not worth talking about.

Q. It means the officers of your department are perfectly competent?—A. I think so; everyone of them.

By Mr. Bowman:

Q. Your promotions, as suggested, are adopted by the Commissioners. Do you mean to say all of these promotions should be made by the department?—A. No. I just answered the Chairman that we are working harmoniously.

By Mr. Laurin:

Q. How is it, if the officials of your department are competent, you have no opportunity to discuss with the Commissioners of the Civil Service Commission about the reorganization?—A. The reorganization is not in the same province as reclassification.

Q. You mean——A. The reclassification is a matter concerning individual civil servants, or a group of employees.

Q. And the Commission has always refused to discuss the matter?—A. They do not always refuse. Sometimes they do. Sometimes we get an opportunity to discuss. That is the point I was making, if we co-operated more closely it would be easy to say for what reason. We might have a reason, or we might not have a reason, but we feel we are in the dark when we have no chance of discussion.

By Mr. MacInnis:

Q. Do you think the Commission serve any useful purpose in the matter of promotion and reclassification, since the officers in your department are quite competent to take care of that?—A. We are following the Act.

Q. What do you think of the procedure laid down in the Act, as outlined? —A. I do not quite get that.

Q. I mean in connection with reclassification and promotion?—A. I could not answer that.

By Mr. Laurin:

Q. If your officers are competent, what is the use of having the consent of the Commissioners to appoint the men for promotion?—A. I cannot say other than the facts; it is difficult to answer your question.

By the Chairman:

Q. We appreciate the delicate situation you are in?—A. Thank you.

By Mr. Chevrier:

Q. In matters of promotion you have no trouble at all?—A. Really we have no trouble.

Q. Are you satisfied that the merit system is carried out for these promotions?—A. I am thinking of the inside service.

Q. You just said, in matters of promotion you have no trouble, to speak of, in that connection?—A. No.

Q. Are you satisfied the merit system is carried out in that?—A. Yes.

Q. In matters of reclassification and reorganization you say, sometimes you get no reason for the refusal of your recommendations. When your recommendation is accepted I suppose you would say the merit system is followed out? —A. Reclassification is more internal machinery than the other thing.

Q. In connection with reclassification of employees and reorganization of work, when the Commission makes its own ruling and gives you no reason for it, do you think, in that event, the merit system is carried out too?—A. That is exactly what we want to know.

Q. You do not know whether it is, or whether it is not?—A. We do not know where we stand. That is the point I wanted to make out before this Committee.

Witness discharged.

P. T. Coolican, called and sworn.

By the Chairman:

Q. You are Assistant Deputy Postmaster General?—A. Yes.

Q. Mr. Coolican, I understand that in the postal service you really have two main divisions. You have your headquarters, or departmental staff, at Ottawa which for convenience, we will call the inside service, and then you have revenue offices, postal helpers, letter carriers, which we will call the outside service. For my purpose I want to ask a lot of questions and get a lot of information about the outside service. Are you the man I should question, or, if you prefer I shall deal with them through somebody else?—A. It is quite immaterial.

Q. If I may, let me deal for the moment with promotions. Mr. Gaboury has told us, in practically all cases, the Civil Service Commission acts on the recommendation of the department which becomes in turn a part of the function of the Deputy Postmaster General in making promotions. Then I further understand, in connection with promotions, there are advertisements go out, limited to post office employees. How many of these promotions would there be in a year?—A. Probably the labour turnover in the Post Office department is about five or six per cent.

Q. What would that be in numbers?—A. Two or three hundred. The actual numbers I could not give you without the file. There would be at least that.

Q. So that in each year there would be approximately 200 or 300 competitions being held, with the necessary expense of advertising, etc., for these promotions?—A. Yes.

Q. And in nearly all cases, in the final analysis, the man recommended by the Department gets the promotion?—A. As a rule.

Q. Can you tell me, or suggest to me, any reason why those promotions should be made by the Civil Service Commission rather than by the departmental officials when in fact, in the result, in nearly all cases, the man who gets the departmental recommendation gets the promotion?—A. Generally speaking, the departmental officials are quite as competent to recommend and arrange for promotion as are the members of the Civil Service Commission. Apart from that, it is a matter of public policy or order, in the interests of the public service; generally in the interests of good service, it should be done by an independent body.

Q. Is the independent body functioning with any independence, or are they acting on the recommendation of the departmental officials?—A. I would only point to the result of the Civil Service Act. Prior to the introduction of the Civil Service Act, there was certainly dissatisfaction amongst postal employees who were unable to obtain a good many positions to which they were entitled.

Q. Under the old system appointments would be made over the heads of those in lower positions?—A. Yes. There is more benefit, generally, under the present system than under the old system.

Q. Supposing the statute required promotion in departments on the recommendation of the departmental official, would that meet the objection you have just raised?—A. As I said, I believe the officials are quite competent to get the best men for the job.

Q. If they are left alone?—A. Yes.

By Mr. Bowman:

Q. What is the object in advertising?—A. In order to give every man in the department who thinks he has a chance for promotion, a chance to compete. Formerly, without advertising, we had a good many complaints from the organized men that they did not know of the existence of the source to which they could apply; hence the advertising.

Q. What is the difference, if the department makes a promotion?—A. It makes a difference that the rules and regulations have been laid down by the Civil Service Commission, giving the scope, the area in which the promotion could be made available.

Q. That is just a matter of policy, in the matter of throwing promotion open to a certain area?—A. But within that area each man has the right to know if the vacancy is open or not. If it were not publicly advertised, there would not be an opportunity for men to qualify for the position.

Q. The department would know?—A. Yes.

Q. And it is the department's recommendation which is finally adopted?—A. The department can only decide between those men who apply, and the wider the publicity the better chance there is of getting the better qualified man.

Q. Why the publicity? If you had a man who was eligible for promotion within a certain area you would not advertise outside that area?—A. No.

Q. Would not an advertisement in the department itself, by notices sent out in the department, bring the desired result. I am talking about promotions only. I will leave the question of appointments separate because I realize they are on an entirely different basis?—A. It used to be said before the Civil Service Act, that a man was put into a position without any chance being given to anybody else to compete for it, and that difficulty has been obviated by the advertising giving a chance to everybody.

Q. Is there any reason why that advertising would not be done by the department itself?—A. It is done by the department. The forms are made out by the Civil Service Commission and, when the vacancy is advertised, the publicity is given by the department itself.

Q. Is there any reason why the form should be made by the Commission, come to the department, go back three or four times, as it does in many cases?—A. Only in so far as it is public policy, for public good.

Q. Is there any reason why it should not be done by the department?—A. I can only go back to the situation that existed prior to the present system, when the department was under considerable criticism for not giving sufficient publicity to vacancies that occurred.

Q. There is no reason why that publicity should not be given by the department?—A. No, sir.

Q. If regulations were laid down by which the department did give it, it would obviate the difficulty to which you have referred?—A. The department could carry out the terms of the Act as well as the Civil Service Commission.

Q. Is there any reason why it could not?—A. There is no practical reason why it could not be done.

Q. The point that seems clear to me is that promotions are, in the vast majority of cases, probably in 99 per cent of the cases, made by the department?—A. Yes, the recommendations, generally, of the department are accepted by the Commission. Where there is a difference of opinion, the Commission naturally asserts its prerogative, under the Act, of not carrying out the terms of the recommendation.

By Mr. MacInnis:

Q. Am I right in assuming the department exercises possibly better judgment in making the appointments because of the fact that the Commission reviews the appointments?—A. Yes, that is always the case.

Q. The Commission, in this respect—I hope you will pardon the analogy I am going to draw—exercises similar functions, in some respect, to what a policeman does. The good he does does not always depend on the number of arrests he makes but on the number of crimes he prevents?—A. The Civil

Service Commission is in the same position as the Auditor General and the Comptroller of the Treasury. They stand on the side lines to see that the rules of the game are observed.

The CHAIRMAN: I think that is a very good analogy—a better analogy.

By Mr. MacInnis:

Q. If the Civil Service Commission was not there, the regulations would not, possibly, be carried out by the department?—A. We might agree with you.

Q. As I said, the Civil Service Commission fulfills a useful function, when they merely give their O.K. to what has been done by the department, and that they have the right to refuse that O.K., if they see fit?—A. Yes.

By Mr. Bowman:

Q. It is quite clearly, after all, routine, or practically so, is it not?—A. The regulations, to a certain extent, are routine, must be routine.

Q. Probably I put the question a little broadly, in a light I did not intend to. Supposing that the department carried on this work itself, some considerable routine could be done away with?—A. Yes.

Q. But still bearing in mind that the Commission is there to be appealed to, in the event of there being a question as to whether the promotion should come to A, B or C?—A. Yes, considerable routine could be eliminated even at present.

Q. That is the point. It does seem to me, in a lot of these matters there is unnecessary red tape and routine?—A. Yes. Take, for instance, the question of increases to civil servants in the outside service, there is no reason on earth why the increase should not be made by the department. At present there is purely a check-over of the ratings which are then sent to the Commission. If the department were allowed to make its own increases, all we need to do is to have the postmaster make a statement as to whom he wanted to recommend. The same question with the eligible list for entrance to the Civil Service. At the present time there may be two or three hundred persons on the eligible list. The consequence is it becomes necessary to pick from that for two or three years and very often the man who is lowest is not quite up to our standard. If the number on the eligible list were restricted and the eligible list freshened up every year, then we are likely to get the best men for the appointment.

Q. Has there been any change in the routine in this class of matters as far as the Commission is concerned, year after year?—A. The routine has been changed but the volume is there.

Q. It is still continued?—A. Yes.

Q. It would be your considered opinion, after many years' experience, that considerable red tape or routine could be dispensed with?—A. In the lower classes.

Q. After all, it is the lower classes present the volume of business to your department and the Commission?

By the Chairman:

Q. Mr. Phelan, of the Civil Service Federation, made a suggestion to the Committee that some board of appeal, on a basis which he suggested, or a board of review, should be set up to deal with grievances of civil servants and submissions to the department. What would you think of such a proposal, in order to avoid all this routine, to which Mr. Bowman referred, whereby the department would have control of their promotions without all this submitting backward and forward, and that the Civil Service Commission sit as a board of review?—A. That is a radical departure from the reasons which prompted the placing of the Civil Service Act on the statute book.

Q. In modern times there are many radical departures from many things, public policies and everything else?—A. A board of appeal might be a very good thing. The Amalgamated Civil Servants approached it in a different way. They appointed one of their men, permanently resident in Ottawa, to take up their cases. That, I think, has worked satisfactorily. Mr. Knowles, who is a clear thinking, clear sighted man, is able to emphasize the viewpoint of the men and have his people see the viewpoint of the department. That has worked very satisfactorily. A board of appeal would mean constant recommendations, and employees coming and going all the time; difficulties in the post office could be solved by going direct to the postmaster or getting the difficulties arranged by their representative here.

Q. In the matter of appeals, what I have in mind is this, 99 per cent of the promotions in the department are made practically automatically by the Civil Service Commission on recommendation of your departmental officials and provision for promotion must be made within the department; in other words, the maintaining of your merit system would not, sometimes, perhaps, be accepted by the Civil Service Commission, being a board of review of your departmental decisions, only in cases where there might be some dispute, or where somebody raised a question about promotion?—A. My answer is the same as before, that the positions in this department could be filled by the department if that is to be the policy. An independent body is preferable.

Mr. MacInnis:

Q. That brings in the question of the procedure, that for several reasons it is very difficult to change an appointment that was once made?—A. Yes.

The CHAIRMAN: And that is what happens right now.

Mr. MACINNIS: No:

The CHAIRMAN: Those are the main complaints I get.

By Mr. Bowman:

Q. I would not go so far as perhaps intended by the Chairman in his remarks, but if the Civil Service Commission were a body of review—not appeal—perhaps there is a distinction there, that would O.K. what the department had done before the final decision was arrived at. Would not that be really what is done now but by more circuitous methods. Suppose your department has a promotion on hand and before you finally made the promotion you submitted it for review to the Civil Service Commission, would that not cut out a lot of the circuitous proceedings?—A. We review the qualifications of the applicant and submit them to the Civil Service Commission in a certain order. They then review those and give us the best.

Q. There is communication after communication passing back and forth between your office and the Commission?—A. In case of dispute.

Q. No, without dispute?—A. No.

Q. Would you mind telling me just what the facts are with respect to promotion—A. A vacancy is advertised.

By the Chairman:

Q. Do not start with that. A vacancy occurs?—A. Yes.

Q. Now, what happens?—A. That is reported to the Civil Service Commission.

Q. Then what happens?—A. We advertise.

Q. You got instructions from the Civil Service first?—A. Yes. We advertise and the applications come in. The rating officers are notified to go over the qualifications of the individuals.

Q. That is, without any further reference to the Civil Service Commission? —A. That is without any further reference to the Civil Service Commission. The rating forms come in, they are reviewed by the department and sent to the Civil Service Commission.

Q. With a recommendation?—A. No. The forms themselves are sent to the Civil Service Commission and copies kept on the file.

Q. Without any letter of recommendation from your department as to who should be appointed?—A. Yes.

Q. And the Civil Service Commission, in 99 per cent of the cases automatically appoint the man who has the highest rating on papers which are sent forward?—A. Yes.

By Mr. Bowman:

Q. When a vacancy occurs for a promotion why not go ahead and do the work in your department instead of submitting your final rating to the Civil Service Commission for approval? Would not that take considerable time in addition to that considerable correspondence passing back and forth?—A. Yes.

Q. And you would get the same result?—A. Yes.

By the Chairman:

Q. In any particular case, I understand where there is a vacancy, in order to keep things moving, you put somebody else into the work, to do the work temporarily?—A. Yes. After all it is our business. We are a postal service, and the less we are bothered with these promotions the better we like it.

By Mr. Chevrier:

Q. If this change came about, such as has been suggested, would the merit system prevail to the same extent, as it is supposed to exist to-day?—A. I see no reason why it should not.

Q. But would it?—A. I cannot forecast the future.

Q. As a result of this new change would you anticipate the merit system would be preserved?—A. I think the organized men would prefer that promotions be submitted to a body independent of the Post Office department.

The CHAIRMAN: Nobody is suggesting you should change.

By Mr. Bowman:

Q. Before you make any promotion or fill any vacancy it should go to the Civil Service Commission for final approval?—A. That would come to the same thing.

Q. It would do away with some of the circuitous proceedings in the initiation proceedings?—A. Yes.

Q. We might finish up that point on the court of appeal. I think perhaps most of the members of the Committee agree with what you say, that this court of appeal would be a body that would be exceedingly busy and would perhaps be reviewing decisions that have been made?—A. You would have to circumscribe the references to it accordingly.

Q. It would cause more trouble than now. That is your opinion?—A. Yes.

By Mr. MacInnis:

Q. What is the method of taking up grievances now. Does the aggrieved make representations to the department he is directly under?—A. The recommendation would go to the postmaster and failing any agreement there reference is made to the department by an organization, by individuals as well as organization. Then there is a final appeal to the Postmaster General always.

By the Chairman:

Q. There is another aspect I am interested in in regard to your outside service. At present, I understand, increases are given automatically, unless the department recommends against somebody having an increase?—A. Some infraction of duty or something of that kind, unless the man's record does not warrant it.

Q. From your experience, are you satisfied that the system of annual increases should be left to the recommendation of a departmental official, for efficiency, or something of that kind?—A. Increases—

Q. I understand at the present time they are automatic unless they are vetoed?—A. At the present time a man's increase is granted on the strength of his work in the department during the year.

Q. On the recommendation of whom?—A. On recommendation by his superior officer.

Q. Concurred in by the Commission. Then the system in force in the department is that the men get their increases not automatically but on the recommendation of some superior officer?—A. Quite, that has always been the case.

Q. The next thing I had in mind was this: I understand in the outside postal service you have really four lower classifications of employees, the lowest being the postal helper?—A. Yes.

Q. Then the mail porter and letter carrier and then the postal clerk, whose minimum and maximum is higher than any of these I have mentioned?—A. Yes.

Q. This postal helper group has always appeared to be of a somewhat anomalous nature. Is it your view that these positions should be maintained as they are?—A. The postal helper class developed on account of a labour crisis a few years ago—prior to which we used to take temporary help in the summer and at Christmas time. It was found we were letting them out at the beginning of the winter and at the time it was represented we should keep them on. There was only one way to do that; that was to estimate the amount of time taken for annual leave and sick leave, special leave and so on and figure out the proportion of men it required in the year round to take up that slack without letting the men out at an unseasonable time, and I think it ran one in seven. As a consequence our staffs were increased, and the postal helper class came into being. We paid these men $5 less a month. To-day that class has outlived its usefulness and we can appoint men direct to the three classes mentioned, that is, letter carrier or mail porter and postal clerk. The question being taken up, to abolish that class, we found that the cost of carrying out that scheme would be about $60,000 or $70,000 the first year, with a gradual tapering off.

Q. Assuming a postal helper is employed in the Toronto post office, there is a vacancy for a letter carrier on the eligible list, for letter carrier. Is that postal helper promoted to the position of letter carrier, or is a new letter carrier appointed from the eligible list? I understand from some of the papers I have seen that a man writes an examination on a classification both as a letter carrier or postal helper— —A. Mr. Underwood would have the details of that.

Q. Assuming there is a vacancy for a postal clerk, is someone appointed to that by promotion from a letter carrier or is that a new and separate classification?—A. The postal helper may be either a letter carrier or mail porter.

Q. He is a sort of a general utility man?—A. Yes. The idea was you would have a pool arrangement to take the men for these positions. The idea was by pooling these men you could pick for the positions the men best adapted for them.

Q. Generally speaking, when you want a postal clerk in the Toronto post office, somebody who is already a letter carrier or mail porter or postal helper would be appointed in the ordinary course?—A. Yes.

Q. Not somebody from the outside?—A. There is procedure there that could have been simplified. Perhaps Mr. Underwood could explain that.

Q. There seems to be a good deal of irritation in the outside postal service. I do not mean among the civil servants, but among those who are ambitious to get in from the fact they pass the examination and get on the list and never seem to be able to get appointed, for many reasons with which I am familiar. Is there any method to improve the situation instead of establishing these eligible lists that have an enormous number of names on them of people who could not be appointed in the ordinary course of events? Is there no way of avoiding that situation?—A. Yes, by restricting the number of people who pass the examination to the number of the requirements of the department.

Q. Does the post office send a list of the appointments to be made every year?—A. No, it could be done.

Q. So that you would have your open competition?—A. Yes.

Q. Your idea is instead of putting all those who had passed—whom would you put on the list?—A. Just the number of the requirements for the coming year.

By Mr. MacInnis:

Q. Would you not be in the same position for those people having passed the required examination, that they would still think they had the right to the appointment when the appointment occurred?—A. They would have to be notified, if it was only vacant for a certain time.

Q. I was thinking the best possible way to avoid that would be to raise the minimum marks for examination?—A. No, I do not think they could do it that way.

By the Chairman:

Q. The Civil Service Commission recommended in report of 1930 that there be restrictions on the eligible list because it created a lot of false hopes in the breasts of a lot of people. Is there any reason why it should not be extended to postal helpers, letter carriers and so forth?—A. Probably some of them are lucky they did not get the job.

Q. I would like to ask some questions, Mr. Coolican about revenue postmasters. They are a source of great difficulty to this Committee?—A. Yes. I would like to deal with that. As a matter of fact I certainly have a view on that and I would like to express it.

Q. Would you give us your views as to what might be done and let us have your suggestions in connection with that?—A. I have noticed from the evidence brought before the Committee—in the newspapers—that this question has not been brought out clearly altogether. Revenue postmasters are different altogether from the city postmasters, who are very properly described as civil servants, and revenue postmasters cannot properly be described as civil servants. The revenue postmaster has no superannuation; he does not always do the work for which he is paid; he has an assistant, he is not paid from parliamentary appropriation, and I do not think it was ever intended that revenue postmasters should be under the Civil Service Act.

By Mr. Bowman:

Q. How did he get there?—A. He got there by accident. I think when in the brown classification book the definition of revenue postmaster was approved by statute they did not know what it contained. It could not possibly be known. One of the indications of that is that the compensation for the non-accounting

postmaster includes money paid for money order commission. The reason he is a non-accounting postmaster is because he does not do money order business, and I think the Commission agrees with me too because they certainly see they could not economically appoint the revenue postmaster since they eliminated all those with a revenue of less than $400.

Q. You said they came in because the statute included all classifications in the "brown book." I wonder if we cannot get a proper description for the "brown book"?

Mr. CHEVRIER: It used to be called the "joke book."

The CHAIRMAN: I take it, Mr. Coolican, you mean "The Classification of the Civil Service of Canada" as approved in 1919.

The WITNESS: Yes. In eliminating a certain number of offices I think the Commission did not go far enough but it is peculiar that the major part of the criticism against the Civil Service Commission probably comes from the appointment of revenue postmasters.

By Mr. Bowman:

Q. How far would you suggest they should go?—A. I think if the Civil Service Commission appointed those postmasters, whose salary or allowances were sufficient for a full day's work plus that of an assistant, the Commission perhaps would be doing a good work in taking hold of it.

Q. For a man to be a proper employee he should devote all of his time to the Service. You say therefore where postmasters are receiving such an amount in revenue they are full time servants?—A. They should be left under the Civil Service Commission, in the field of a civil servant proper, paid from parliamentary appropriation.

Q. Could you draw a line for us in dollars and cents?—A. I would not care to do that. It could be worked out though.

Q. Approximately?—A. Four or five thousand dollars revenue.

Q. Would that mean four or five thousand dollars share of the postmaster's revenue or would that be gross revenue. Would that be the total revenue taken in by the post office, of which a percentage would be received by the postmaster? —A. Yes.

Q. Your view being that if the gross revenue of the post office were somewhere between $4,000 and $5,000, then the postmaster would be receiving an amount from that which would enable him to devote his whole time to the matter and engage some assistant, and the volume of business would require his whole time and some of the assistant's?—A. Yes.

By Mr. Chevrier:

Q. Are you prepared to say what that would equal in salary?—A. No. That would require some thought; but if you put the salary of a postmaster at, say, the maximum of a postal clerk, plus that of an assistant, or some other grade in the Civil Service, you would arrive at a near figure.

Q. The maximum of a postal clerk, $1,740?—A. Yes.

By Mr. Bowman:

Q. I suppose a fair salary to these people might run around $90 or $100 a month?—A. Yes, we could make a definite allowance to the postmaster and from that he would pay his assistant.

Q. You think, Mr. Coolican, that that would lessen a lot of the difficulties? —A. Yes, I think it would, and the result would be just as good.

By Mr. Chevrier:

Q. These men would be named under the recommendation of the departmental officers?—A. Yes. We could arrange a procedure of inquiry the same as is done now.

Q. From a business point of view it might be all right, but how would that come in with the merit system?—A. In these appointments of postmasters you are not observing the merit system. The very returned soldier preference is a legal violation of the merit system. You have many things to consider with regard to public service.

By the Chairman:

Q. Your view is generally where these people are not civil servants there has been so much travelling and expense in the appointment of revenue postmasters that you think something should be done to remedy the condition existing at present?—A. I think the Civil Service Commission had the right idea when they eliminated from their jurisdiction those under $400. I think the same good results could be obtained in cases over $400. We have appointed twice as many postmasters in the last year and trouble arose in that connection, not so much from the appointment as from the circumstances surrounding the dismissal.

By the Chairman:

Q. One of the Civil Service Commissioners—I have forgotten whom for the moment—made a submission to this Committee that the report of your post office inspectors, in matters of promotion, and in matters of the selection of rural postmasters, was neglected and that the report should come direct to the Civil Service Commission at the same time as the report goes to your department, the Civil Service Commission outlining in many instances they are held up for months at a time because they do not get the reports. What is your view on that?—A. From a disciplinary point of view I would certainly not be a party to having any of our men report to a body outside of the Post Office department. It would lead to complications.

Q. You think it would affect the discipline in the department?—A. Yes.

Mr. Bowman: That would be attempting to serve two masters.

The Witness: I object to that at the present time on account of the expense. Our inspectors spend two or three days, leaving their own work to go and work in the Civil Service field. It is very cumbersome and leads to complication to the inspector himself, although it is very logical to have those officers do it. If the Civil Service Commission had to use their own travelling officers for that work it would result in a great deal more expense than at the present time. We bear the brunt of that.

By Mr. MacInnis:

Q. It is work that necessarily must be done?—A. Yes.

By Mr. Bowman:

Q. A suggestion was made that the post office inspector be done away with and that the local postmaster be appointed to fulfil his duties?—A. I am afraid you were not given a very clear idea of that situation.

Q. I just want to know your comments. I have my own ideas?—A. It is an idea that is not new and in possibly one or two places some say it could be done. It would have to be very carefully gone into, because the higher you get in the Service the more you have to consider the men not the position.

Q. Personally I do not see how it can work out in a rural community very well, if a man is going to be a postmaster and he has to travel all over the country to make inspection?—A. The system is one that prevails to a certain extent in England. They have what they call a surveyor postmaster, which

corresponds to the position that is suggested. When you speak of amalgamating with the city postmaster, or with the district superintendent, it becomes a question of one position governing all positions in a given district. The district superintendent governs all the rest of the post offices, particularly the revenue post office in his district, but at certain times does work in the city offices too. The idea was to have one officer in one area responsible for every postal activity, no matter where it occurred, in the revenue office or the city office.

By the Chairman:

Q. Do you find the district superintendent's position working out well in the interests of the Service?—A. Yes, it is working out very satisfactorily.

Q. And your present view would be against any such change?—A. No. I have an open mind on the matter, but I think it would have to be very carefully gone into, because it would depend on the calibre of the men we might get in a position like that. A position like that would be a very high position and of very great responsibility and would require a great deal more thought than I have given to it at the present time before it could be adopted.

Q. I know your Toronto superintendent and your Toronto postmaster. Both seem to be very busy gentlemen?—A. They are.

By Mr. MacInnis:

Q. The question of temporary employees came up several times. Have you, in your department, employees that have been there for a number of years who are still classified as temporary employees?—A. I do not think so, not in the outside service. Mr. Underwood could better answer that question.

By the Chairman:

Q. We neglected to get down how long you have been Assistant Deputy Postmaster General and how many years in the Service?—A. I have been twenty-five years in the Service?

Q. With the Post Office department?—A. Yes.

Q. How many years Assistant Deputy?—A. I have been General Superintendent since 1923 and Assistant Deputy since 1924.

E. J. Underwood, called and sworn.

By Mr. MacInnis:

Q. What is your position?—A. Chief Superintendent, Post Office Service.

By the Chairman:

Q. How long have you been with the Post Office department?—A. Twenty years.

Q. How long in your present position?—A. Since 1919, or 1920. I am not just sure.

Q. I understand you are the gentleman who comes directly in contact with all the outside service, if I might so describe it, of the Post Office department?—A. Under my office come all personal matters connected with all employees of city post offices, of revenue post offices, the question of management, operation and accommodation for all post offices.

Q. You really are the direct contact man?—A. Yes.

Q. Mr. Coolican suggested we ask you to give us your views with respect to the abolition of the postal helper class or the revision of the lower classification. Mr. Coolican has already explained why this class was introduced. You do not know when a man comes in which branch he may be suited for?—A. We did consider that some time ago. We figured the purpose for which it was

started was outlived and we did make a recommendation that it be discontinued. The reason it was not gone ahead with was that it would necessitate an expenditure of approximately $70,000 for the first year and as men were gradually assigned to other positions the amount would be gradually reduced. We have the class of postal helper. From it men are put in positions they are best suited for. Men of fairly good physique, strong and tall, are made mail porters because they have to handle heavy bags. Other men might have accounting experience and these are assigned accordingly. The original purpose was to prevent releasing temporary employees just as the winter season was coming on. It was somewhat about 1922. As Mr. Coolican has explained, a postal employee gets three weeks' annual leave and additional help is required to cover this leave. At Christmas time we have to take on extra men to handle this Christmas rush so that in October we would be letting out possibly 300 or 400 men to take them on again at Christmas, let them out immediately after Christmas and take them on again at the beginning of April. Instead of this we spread the annual leave over ten and possibly eleven months and by doing that we were able to establish the relief staff which we call the postal helper. At the beginning we refer to it as Postal Pool because we can take men from it as required.

By the Chairman:

Q. Do I understand correctly that the men themselves are favourable to the abolition of that class from the Civil Service.—A. Yes, but we always appreciated there was one advantage in it which we would lose—taking the man from the class to carry out the duties he was most fitted for. When we have postal helpers we have a class which fits men for letter carriers, mail porters or postal clerks. If that is done away with we shall have to go back to the individual examinations for each respective class. A mail porter, for example, must be a man of good physique, otherwise he could not stand the work. He should be 5 feet 10 inches tall and weigh about 160 pounds. He has to handle heavy bags. I think Mr. MacInnis already mentioned the question of temporary employees. Perhaps I could explain that by referring to the eligible list and taking of men in order of merit, i.e., the eligible list for permanent employees. A vacancy occurs. We select the next man on the list. It is first our business to determine whether we need the man or not. We then ask Mr. Jones if he wants the position. He says, "No, I have a position now." We do not know at the time whether the position is going to be permanent or not. We then say to Mr. Brown, "Do you want the position." He says, "No, I don't want it now because I have a job and this may be only temporary." We go on to Mr. Smith. He says, "I will take it, I have not got a job." Mr. Smith works possibly six months. By the time that six months is up perhaps another man is sick. In some instances we keep him on until a permanent position occurs. When the permanent position occurs we cannot put Mr. Smith into the job. We have to then go back to the first man, Mr. Jones. We say, "Do you want that position, Mr. Jones?" He says, "Yes, I will take it, if it is permanent." We, therefore, have these men in temporary positions between the time a temporary vacancy occurs and the time a permanent vacancy occurs.

Q. That creates a great deal of difficulty?—A. Yes, but I do not see how you can do anything else because it would be unjust to ask Mr. Jones to leave his permanent position to take a temporary one. He has a more or less fair position outside, but he wants to come into the Civil Service. We say, "Mr. So and So is sick; he may be sick for three or four months, do you want the job?" It is hardly fair to ask that man to resign his job to take one that may be only for one month. As long as he knows it is a permanent one he must signify his acceptance or rejection.

By the Chairman:

Q. I think Mr. MacInnis was interested in knowing whether you had temporary employees in the outside service, who had been temporary for a number of years and never got a permanent position?—A. We might have a few possibly at a point where the eligible list has lapsed. We go to the Commission and tell them there is no list and they give us power to make a local selection. It may be some time before the list is established or it may be that when he gets in the conditions are such as to enable us to keep him on, although he has never qualified for the position by examination.

Q. When the examination comes along to establish such a list does that man have a right to apply?—A. Yes, but unfortunately he might not rank highest; even if he got the highest marks he might not be a returned soldier and others would have preference over him.

Q. So as not to put him out on the street, you put him on as a temporary? —A. Yes. These are the difficulties that arise.

By Mr. MacInnis:

Q. You have not, then, the class of temporary employees some other departments have?—A. We have no seasonal or purely temporary positions.

By the Chairman:

Q. Once the Civil Service Commission has supplied you with an eligible list you pick out the men for jobs that are vacant?—A. The Commission have given us great co-operation in regard to our outside service.

Q. You could not carry on otherwise?—A. Our service has to be carried on. We cannot say, "You cannot get your mail delivered because the Civil Service Commission have not supplied us with men."

Q. The letter carrier is really appointed from the Civil Service Commission eligible list and the Civil Service Commission ratifies that?—A. Yes.

Q. Where there is no eligible list, you have your postmaster pick somebody?—A. Yes, and that man is told he is getting the job on the understanding it is a temporary job we say "If you do not come first on the list we are sorry but we will have to let you out."

Q. But if that man were ninth or tenth on the list, you would try to keep him on temporarily?—A. If there was actual work for him to do.

Q. You heard what Mr. Coolican had to say about revenue postmasters? —A. Yes.

Q. Do your views agree with his?—A. Probably I might be able to amplify that a little for you. We have a staff of employees in the city offices. They are paid by parliamentary appropriation. We have revenue postmasters. Revenue offices vary in revenue; one might be $10 revenue or even less, up to the office with $30,000 or $35,000.

By Mr. Bowman:

Q. Give us an instance?—A. Simcoe, $36,475 revenue; Preston, $22,311; Prescott, $16,423. They are all paid on commission. They get 70 per cent on the first $1,000 revenue, they get 30 per cent from $1,000 to $10,000 and 20 per cent over $10,000. Then in addition to that there are allowances which are granted. There is, first of all, what we call the rent allowance. In dealing with the rent allowance you have to bear in mind the rent allowance is only granted to a postmaster who provides his own accommodation. If the Public Works department rent the building we do not give him anything for rent. The rent allowance is not supposed to cover the cost of the whole building. It is supposed to be an assistance towards paying for cleaning and light; it is based on a certain scale which we feel should assist him. Then we have what we call

night allowance, an allowance for night duty in some offices. Trains may arrive at 1 or 2 in the morning. We are paying on a revenue basis but we feel that is not quite fair that he should get up at 2 or 3 o'clock in the morning without some compensation.

Q. It is not an allowance which governs the actual time the men work?—A. It is some little compensation for the inconvenience the man suffers in having to get up at that hour of the night.

Q. It is based on a schedule?—A. Up to $1,000 we base it on a schedule; over $1,000 it is on the report of the superintendent, who tells us what work he has to do.

By Mr. Bowman:

Q. What would be the amount of the rent allowance at Simcoe?—A. There would not be anything there; it is a public building.

Q. What would the night allowance be?—A. It would just depend whether that is an office where trains come in at night. I could make up for you the total compensation the postmaster at Simcoe receives.

By the Chairman:

Q. Suppose you take Simcoe, Preston and Prescott as an illustration of the higher paid positions?—A. And in addition to that we have what we call forward allowance.

Q. What is that?—A. Forward allowance. That is explained in this way. We will say there is one office and there are a number of subsidiary offices from this office. Now, these subsidiary offices are not large enough for other offices to make up a direct bag so what we do is to make it up on this office, which in turn makes it up on the individual offices. For doing that we give the distributing postmaster something, based on the work he does.

Q. He does the work of sorting and delivering?—A. Yes.

Their compensation will vary from a minimum of $100, which is the minimum salary, no matter what the revenue is. Even if the revenue is $2 we pay him $100, up to $10,000 or more. He has to pay for his building, heat, etc., and also his assistants.

By Mr. Bowman:

Q. I suppose the general desire of the postmasters in these revenue offices is to continue them as revenue offices, otherwise they would be under the Civil Service Commission?—A. I think if we put them in the graded offices they would get less remuneration than they do to-day. In some instances the Postmasters' Association have come to us and wanted to be under the Civil Service Commission but did not want to take their employees under the Civil Service Commission. What they have in mind is they want a broader field of advancement to the larger offices. At present the rural postmaster is not promoted to any other position in the Service.

By the Chairman:

Q. In other words, he is not a true civil servant?—A. No. In some of the larger offices they want to have the privilege of being promoted either to larger offices or to the Civil Service. In some cases it may be a good thing; in other cases it would not be so good. So far as the Department is concerned, it would probably be an advantage in being able to promote a man instead of putting a green man in.

As Mr. Coolican explained we hardly think that it was the original intention to bring the rural postmaster under the Civil Service Act, and the reasons are these: first, the question of appointments. The Commission itself has made

certain exceptions. It passed an order in council making certain exceptions. In the second place, had there been any intention of putting the revenue postmasters under the Civil Service Act surely some provision would be there to take care of them. You will not find any provision in the Civil Service Act regarding revenue postmasters. Certain benefits are given Civil Servants, annual leave, sick leave, superannuation and so on. The Civil Service Act provides that the salary range of a civil servant shall include a minimum and maximum and intermediate rates. The scale of a revenue postmaster does not include a maximum range or intermediate rates. I do not think it was the intention to place the whole of the rural or revenue postmasters under the Civil Service Act.

Q. Now, would you endorse what Mr. Coolican said about the amount of salaries?—A. I think he was a little high.

Q. What is your personal opinion?—A. My personal opinion would be somewhere around $3,000 or $3,500. We always express our own individual views. My reason is this. If you take $3,000 on the scale I have given you, you will find on the first $1,000 there is $700 compensation. That is 70 per cent. Then you have $2,000 at 30 per cent, which is $600. That makes $1,300 total without the other allowances. Generally speaking, I think you might take it as a general rule that the total amount of that office would be $1,500 or thereabouts, $1,500 compensation. In an office of that size we would have to have one assistant. I do not say he would be full-time. I figure that would allow $500 for an assistant and possibly for incidental expenses, so that the postmaster will have $1,000. The minimum salary of a postal helper is $1,020 a year, therefore I assume it is logical to pay a postmaster who is just coming into the office the same salary as you would that employee who is just commencing his career. There must be an arbitrary line somewhere and that is the reason I say $3,000. I may be a little low.

Q. Mr. Coolican puts it a little higher. He says the assistant should have the salary of a postal helper or postal clerk.

By Mr. MacInnis:

Q. I think Mr. Coolican was reluctant to give an opinion as to the amount? —A. Mr. Coolican has many other duties to perform and he is not intimate with the actual details.

By the Chairman:

Q. You think he is more generous?—A. Yes. It is all a matter of opinion and a matter which would require a certain amount of consideration. I just suggest $3,000 on that basis.

By Mr. MacInnis:

Q. Do you think it would be any advantage to have a revenue postmaster, paid that amount of revenue, excluded from the Civil Service Act?—A. I say the postmaster up to that point should be removed from the Civil Service Commission. In the matter of appointment they are civil servants. It is the impracticability of appointing all these postmasters. If they had gone to the point where they could go to the man and say, "We want the whole of your time when you are a civil servant," then we agree. Suppose we take the appointment of a postmaster, say at $500. Now the procedure with the Commission must be more involved than that which we follow in the department. It is a matter of considerable correspondence and it takes our inspector's time. I might tell you frankly, where an office is less than $1,000 we simply take the man's application and judge it on that.

By the Chairman:

Q. Do I understand as a matter of practice in your classification of rural postmasters, where the revenue is under $1,000, if the inspector is in the locality he would not make a special trip unless requested by the Commission to do so? —A. If the inspector was in the locality he would interview the candidates, but he would not make a special trip.

Mr. Mr. MacInnis:

Q. Do you mean that in making appointments or in the general supervision of the postal service?—A. In making appointments, in the general supervision he must go to practically every office. We have an objection from the standpoint of the time it takes. The second point is the question of cost. It actually takes time and it takes money.

Q. How do you think the appointments should be made?—A. Just the same as we make them up to $400. We have, roughly speaking, 12,000 rural postmasters. Even to-day 7,500 out of the 12,000 are appointed by the department. You do not hear a word about that. There is very little trouble with that.

Q. You do not hear so much about the appointment as about the dismissal? —A. There, you put your finger on the sore spot. If you could do something to assist in that matter you would be our everlasting friend.

Q. Could not you give us a suggestion as to how to remedy that?—A. I am afraid that is not in the scope of Post Office affairs.

The CHAIRMAN: Perhaps to finish with Mr. Underwood we could sit for an hour this afternoon—say from 3.30 to 5—instead of sitting as late as 5.45.

The committee adjourned until 3.30 p.m.

AFTERNOON SESSION

E. J. UNDERWOOD recalled.

The CHAIRMAN: Gentlemen, at the adjournment, Mr. Underwood had been giving us some information as to the handling of rural postmasters in the department.

Mr. COOLICAN: Mr. Chairman, may I be allowed to offer a slight correction to my evidence of this morning? Mr. Bowman questioned me regarding routine procedure in connection with promotions and I explained that procedure, but now that routine has been dispensed with up to and including the position of senior clerk. This was done with the co-operation of the Civil Service Commission.

Mr. BOWMAN: Perhaps we had better get a further explanation as to what the proceedings are.

Mr. COOLICAN: Mr. Underwood will make that explanation.

The CHAIRMAN: You are content to let Mr. Underwood make the correction for you?

Mr. COOLICAN: Yes.

The CHAIRMAN: I think, Mr. Bowman, you were asking some questions at the adjournment.

The WITNESS: I think I was explaining the reason why we considered that it was not intended to place revenue postmasters under the Civil Service Act at the time of its inception. In the case of 7,500 out of 12,000 the appoint-

ments are made by the department. Now, there are a couple more points I would like to add to the ones I mentioned this morning. The next point is with regard to dismissals. In all cases of revenue postmasters, dismissals are made by the Postmaster General, not by Order in Council—they are made by virtue of his power under the Post Office Act—as distinct from dismissals of full-fledged civil servants.

By Mr. Bowman:

Q. They are distinct?—A. Yes, in that way. A civil servant must be dismissed by Order in Council; a revenue postmaster is dismissed by the Postmaster General, without any Order in Council.

By the Chairman:

Q. This is just another difference?—A. That I am pointing out.

Q. To indicate that these revenue postmasters are not civil servants?—A. Not civil servants within the full sense of the word.

By Mr. MacInnis:

Q. If a revenue postmaster is dismissed for any reason whatsoever, the Postmaster General has to confirm that dismissal, or he has to issue the order of dismissal?—A. He has the power under the Post Office Act to dismiss him.

Q. When we hear of postmasters being dismissed because of political partisanship— —A. In those cases, since Mr. Murphy was Postmaster General, it has been the practice to confirm those dismissals by Order in Council, but it is not necessary under the law; it is simply because the Postmaster General prefers to do that.

Q. I wonder if I could ask a question in connection with the appointment of postmasters we are dealing with, those under $400. I understand at the present time they are now excluded from the Civil Service Act?—A. Under $400 revenue, yes.

Q. How are those appointments made now?—A. By the Postmaster General, whichever way he determines. He may get information from whatever source he deems advisable. He may use the District Superintendent, or he may not.

Q. And is that appointment quite satisfactory?—A. Perfectly satisfactory. We have never any trouble in regard to that. We have less trouble in regard to those than any others. You touched the point this morning when you touched on dismissals. That is where the trouble comes, not in the appointments. We have no trouble with regard to appointments.

Q. Of course, the appointments being made as they are, the dismissals cannot be very much other than they are?—A. No. We might also say that the dismissal leads to the appointment.

Q. Or the appointment leads to the dismissal?—A. Whichever way you like.

Q. Have you any suggestion to offer as to any improvement in that? Supposing that we assume that the appointment can be made better by the Postmaster General or by the department?—A. Just as well, not better, just as well, but more economically.

Q. Can you suggest any way in which it could be done without being subject to the reproach, if you wish, that attaches to the way it is done now?—A. In regard to appointments?

Q. Yes, and dismissals as well?—A. Oh, the dismissals. I could not touch on that. As regards appointments there is very little reproach in regard to appointments; they are perfectly satisfactory. We have no trouble with regard to appointments. I have never heard a criticism—or very very rarely—in regard to an appointment.

By Mr. Ernst:

Q. You get efficient service?—A. We get efficient service. We get satisfactory postmasters, and we get it in the majority of cases—7,500 out of 12,000 already appointed that way without any cost. I could, if you like, show you the difference between the two methods of appointment. That is to say, go through the routine which the appointment of rural postmasers by the Civil Service Commission entails.

By Mr. MacInnis:

Q. Is there no actual cost in connection with the appointments as they are now for revenue postmasters under $400?—A. Practically none, sir.

Q. Is it not possible that there may be a cost which is not apparent?—A. There may be, just an incidental cost. That is to say, there may be a certain amount of correspondence; but we have not the cost of advertising, the interview of the inspector, the submission of the report, the consideration of the report of the department, the submission of the report to the Commission, the consideration of the Commission, the vetoing, the O.K.'ing by the Commission. It is more economical.

By Mr. Laurin:

Q. There is no red tape?—A. A pure appointment without any question.

By Mr. MacInnis:

Q. I presume there must be some way of picking the best man out of the number applying?—A. Yes. I suppose there must be, but that rarely—

By Mr. Ernst:

Q. That does not cause you so much difficulty as the rest of it?—A. None at all. We usually get satisfactory postmasters. The point I am making is bearing in mind the small offices to which you are appointing these men, the offices with $25 or $30 or $40 a year revenue.

By the Chairman:

Q. Put it in plain language which everybody seems to be avoiding. In the case where they are not appointed by the Civil Service Commission they are really patronage appointments—the member for the riding recommends the man?—A. In many cases that is up to the Postmaster General.

Q. And unless you find some reason to object to that recommendation he would probably be appointed and there is no expense at all?—A. All we can say is that the appointments are very satisfactory.

By Mr. Ernst:

Q. From departmental standpoints?—A. Yes, absolutely.

Q. And that practice of making the appointments has been the same for generations?—A. For generations.

By Mr. Bowman:

Q. And as a matter of fact there is a very cogent reason why they should be satisfactory?—A. If you want to go into the question of the members recommending, absolutely. The member knows more, generally speaking, about the community and the people in that community than any inspector would ever know.

Q. And about the people who are to be served?—A. Not only that. It is unfair to an inspector to expect him to go in there and meet 5, 6 or 7 different people and give these men a percentage rating on a brief interview

with these men. He could not do it. It is not a fair thing to ask an inspector to do. Moreover, sometimes criticism is brought to bear upon the inspectors for which they are not responsible. They go into a place to rate a postmaster and they get off at the station and see the general storekeeper. Probably they have never been there before. They go to the store and they say, "We have applications from John Smith, John Jones and Mr. Robertson for this position; can you tell us anything about them?" Well, the man may be all right and he may not be. He may possibly be someone whose views are influenced politically. He says, "Yes, Robertson is the best man." The inspector says, "why?" He gives some reason. The inspector says, "is there anybody else you can tell me about." He says, "sure; go and see Mr. So and So." He gets the same story. He makes out his report, the report goes to the department, and it looks all right, it is passed on to the Commission. It looks all right to the Commission. The appointment is made. And the member says, "Heaven's above, that man got that inspector to go to all my political opponents." Then he asks in the House for the papers. He gets the report. Now, the inspector went there in good faith to make that appointment. He did his best but he is criticized. We want to protect the inspector from criticism of that kind.

Mr. ERNST: It happens not only in the Post Office department.

The CHAIRMAN: All Mr. Underwood is concerned with is the mail service which is under his direction.

Mr. BOWMAN: I think that fits pretty well, Mr. Underwood.

The CHAIRMAN: Mr. Underwood has given a very succinct picture—a graphic picture would be a better way to put it—of what happens.

By Mr. Bowman:

Q. Is there not a reason too in that the small post offices are of service, you may say, to the great bulk of the rural constituency where the public are intimately concerned, and it is up to the member—if it is a member, who is making the recommendation it is up to him to see that the public get decent service, that the post office is conveniently located; and there is every reason in the world why the member should do his best to see that the best service is given to the public?—A. If the member does not give the best service, he hears about it.

By the Chairman:

Q. More than the department tells him about it?—A. We tell him too. Will I go on.

Q. Yes, please?—A. The next point, still on this same question of showing why we think these rural postmasters were not intended to be under the Civil Service Act, is the question of compensation. True, the classification book which you referred to this morning in a brief manner says they shall be paid in a certain way, but as I pointed out in reply to Mr. Bowman, there are certain duties to be performed such as night and forward duties, and the department decides the amount which shall be paid, not the Civil Service Commission. Those are the points which justify me in making the statement that in my opinion it was never intended when the Act was first prepared that revenue postmasters should be included under it. Do you want me to go on with the advantages from the system we propose?

Q. Yes?—A. Mr. Coolican this morning suggested we should leave with the Commission certain appointments where the postmaster is called upon to give the whole of his time to his post office work making him a full fledged civil servant with the privileges which go with the position in the Civil Service. The advantages as he considered them from that point of view are these: First of

all, it would free the inspectors to perform their post office work, inspecting the offices, seeing that the service is properly maintained, making reports on new offices, closing offices and so on.

Q. Just excuse me a minute. If I understand your proposal here, that these appointments as revenue postmasters which do not come under the Commission and are made by the Commission, then these revenue postmasters should become full-fledged civil servants?—A. Yes. This morning I gave a tentative suggestion of over $3,000.

Q. You say they should be full-fledged civil servants?—A. Yes, in accordance with the request of the Postmasters' Association.

Q. Would you give me No. 1 again?—A. No. 1, it would free the inspectors for proper post office work. It would free them from the tasks of reporting on the various applicants.

By Mr. Bowman:

Q. The first one again?—A. At the present time, when a vacancy is advertised, the inspector has to leave his headquarters, to travel probably to wherever the office is, interview the candidates, come back and make a report, fill in his forms, send his report to the Deputy. The time that consumes may be two days per competition. If we move these offices up to $3,000, or had them appointed in the same manner as those under $400, the time used by the inspectors could be better used in the performance of proper post office work.

Q. Are you offering the suggestion the position over $3,000 should be brought under the Civil Service Act and have it stay under the Civil Service Act?—A. They should stay under the Civil Service Act, but with certain advantages to the appointees which they do not have to-day.

By the Chairman:

Q. That is the incumbent of the office should become a full-fledged civil servant?—A. The rural postmaster to-day does not know whether he is a civil servant or otherwise. I say put them on a revenue basis below that $3,000 and let the department appoint them. Above $3,000 make them full-fledged civil servants so they will have to pass some test, whatever test you like, to determine the qualifications of these men.

By Mr. MacInnis:

Q. Do you know why they make a limit of $400?—A. The reason is at that time we were paying 50 per cent. of the revenue in salary; the Order in Council exempted all positions with salaries up to $200; hence we put it at $400 revenue, i.e., $200 salary, later when the percentage was increased to 70 per cent we still maintained the same revenue limit.

By Mr. Chevrier:

Q. If I understand it, over a revenue of $3,000 the appointment should be made by the Commission?—A. That is what I suggested.

Q. Once the appointment has been made you suggest that the appointee should have the full endorsation of the Civil Service Commission?—A. Yes, that is my suggestion, with all the advantages attached thereto.

By Mr. Bowman:

Q. Do not the inspectors inspect the offices?—A. Yes, but the inspection and the postmastership do not coincide; the office is vacant and there is no use inspecting it on that occasion. He wants to inspect it when the man is there. He really makes it an independent trip to make the appointment.

Q. He makes an independent trip?—A. Yes, in many cases it is an independent trip solely for that purpose.

Q. The third is the elimination of criticism which has already been explained. —A. The fourth, Order in Council, P.C. 1053, which removed the $200 appointments from the Civil Service Commission, still maintains the returned soldier preference. Of course it is understood the returned soldier preference would still be maintained.

Q. If this office over $3,000 came under the Civil Service Act, would the provisions of the Act apply with regard to all assistants?—A. Not necessarily. It would obviate the question which has been brought before the Committee, as to whether the report should go direct to the department or to the Civil Service Commission. Mr. Coolican explained it should go to the department direct, that the man could not serve two masters, I think was the statement of Mr. Bowman. The next point, it would eliminate the need for inspectors trying to estimate the percentage of the respective capabilities of a man whom they only saw for a few minutes.

By the Chairman:

Q. What would you think of the job of trying to estimate the experience and capabilities of a man you had never seen?—A. I would not like to do it. Our inspectors try to do it sometimes.

Q. The next?—A. To eliminate the difference of opinion between the man who interviews and the examiner at the Civil Service Commission. From a rural post office point of view, there is a certain atmosphere to any rural post office and the inspector more or less sizes that up when he goes into the office. This postmaster is entrusted with departmental funds. That is to say he is given a stamp credit. He sells and pays money orders and he must have a certain financial stability. There is no use putting a man there who does not know the people and is liable to hand mail out to wrong people. Then there is the site, the accommodation and the equipment the man provides for the transaction of postal business. I say an inspector under the present system is able to weigh up these various factors. You cannot weigh them up from forms. It is essential, under the present arrangement that these reports should come to the department first of all. If we follow the suggestion in regard to the $3,000 we eliminate a good many of the troubles I just mentioned.

By Mr. MacInnis:

Q. I think the statement was made that reports were held up in the department for months after a certain person had seen the travelling inspector? —A. I think the statement was the department delayed them before they went to the Commission. In the majority of cases we say the delay is justified. An inspector goes out and reports on several applicants. He has to classify first of all, as to whether the returned soldier has disability, whether he is a resident or non-resident. He gives certain information as to the site, etc. We check up the classification report. We might have to write back to the inspector, sometimes he has to go and make another visit to that point. In some cases we have to write four or five times; that causes delay. These cases are equally delayed in the Civil Service Commission. We appreciate their trouble; we experience it ourselves. When they get it they are possibly in the same position we are. At our suggestion, in some cases they send their own representative to obtain additional information.

Q. Taking that for granted, are the reports that have been approved by the inspector held up at the instigation of the sitting member?—A. The inspector does not approve it. He just fills out his report, which he sends to the department.

Q. Is the report held up at the department?—A. At the request of the member?

Q. Yes.—A. I think he is interested in the appointment and he might know something about the man and he will make his representations in regard to that.

Q. Would you say they are always held up?—A. No.

By the Chairman:

Q. From a practical standpoint if you had in your hands a report of the inspector and he rated John Brown first and Jim Jones second and the member for that riding came in and said, "Jim Jones is a better man than Brown," in the first rating, you would naturally hold it up?—A. In that case we would send the inspector and say, "We have this information, what are the facts."

By Mr. MacInnis:

Q. You said that after the inspector had made his report that you might have to write back to the inspector again?—A. Yes, in some cases several times.

Q. That would bring about approximately the same condition of affairs as when the appointment was made by the Commission and the report had to go back and forth and letters had to go back and forth that we have been finding so much fault with?—A. I am afraid I do not follow you.

Q. From your observation just a moment ago, letters would sometimes have to go back and forth four or five times—possibly more than that—for the same candidates?—A. Not necessarily because, bear in mind, we recommend that $3,000 and over rest with the Commission. We have to be more careful the larger the office gets; hence we are more particular in regard to information we get.

By Mr. Bowman:

Q. Before you leave that question of appointment over $3,000: as a general rule what would the change mean to the post offices which are now run as revenue offices in the matter of increase or decrease in salary. I would take it generally that the reason these larger offices are not under the Act now is because it goes back to the fact that the total allowance which can be paid is based on a certain revenue plus allowances?—A. Our idea is that we take these figures—take an office, for example, between $3,000 and $3,500—and ascertain what would be the approximate compensation for that type of office. Out of that $1,000 for the postmaster and $500 for the assistant. Then we take $3,500 and $4,000 and fix those. So on up the scale, so much for the postmaster, so much for his helper, under departmental supervision. We have to do it now in some cases, although the revenue postmaster is responsible for his own staff. He appoints his own staff and we do not bother, but we say, where they are making more money, "Pay a little more to your help."

Q. How would you fix it?—A. Our idea about that is the postmaster gets so much and there is so much for his help.

Q. He chooses his own help?—A. He chooses his own help. You have to have that. Shall I proceed?

By the Chairman:

Q. Yes.—A. There were several remarks in regard to rejections for unsuitability. There was quite a lot said. Before we go into that I would like to mention just how many people have been rejected by the Post Office department, that is, rejected without a trial. During the past fiscal year there were twelve such rejections.

By Mr. Bowman:

Q. How many?—A. Twelve. Since the present Civil Service Act has been in operation I think there have been from 65 to 70, that is from 1919-1920 to the present date.

By Mr. Laurin:

Q. How many?—A. Twelve in the last fiscal year. Sixty-five to seventy since 1919, when the present Civil Service Act was put into operation. During the calendar year of 1931, 1,570 approximately appointments were made to post offices, that is revenue and city post offices. Out of these 520 were made by the Civil Service Commission and 12 rejections. The question was asked as to why the Post Office department did not give these men a trial before they rejected them. That is a reasonable question, and in regard to other departments I would consider there would be no trouble at all. In our city post offices we do not reject a man without a trial, but when you come to the revenue postmaster it is a different story. The postmaster has to supply quarters, equipment and accommodation. It would be grossly unfair to put him to the expense of providing accommodation, equipment and quarters when you know he is not going to make a satisfactory postmaster and you are going to reject him. That is the reason we reject them without trial. We submitted it to the Justice department and they ruled the Post Office department had authority to do that.

By Mr. Bowman:

Q. In your Post Office department from 1925 to 1931 there appear to be 77?—A. I referred to post offices only when I spoke. That would include inside headquarters service, railway mail service and so on.

By Mr. Laurin:

Q. In city post offices there is practically no rejection unless there is a trial?—A. A man may have a bad record. In that case we would reject him without trial, but you may take it in all city cases, there is a trial given. Reference was made to the paucity of information given, and I think it was stated there was an inability on the part of the Commission to decide whether a man should be blacklisted or not. If there were instances where a man would be unsuitable for another position in the public service we should so advise the Commission. There are cases where we reject him possibly in regard to his character, and we hesitate to publish that any more than we have to. We have to have men of financial stability, men you can trust with funds. In some cases there may be men who are perfectly all right but you cannot trust them with public moneys. We have difficulties in many cases where people get into financial troubles and so on, very often.

By Mr. Bowman:

Q. First of all we have such a record as "unsuitable and unreliable." How would you get that information?—A. From the inspector and from the man he worked for previously. We communicate with the employers and they tell us he was let out because he could not be trusted.

Q. Why could not the Commission get that information?—A. There is no reason, I suppose, why we could not give it to them.

Q. Why could not they get it themselves?—A. Possibly it might have been something which came to our attention between the time that the report was received and the certificate issued, if we had the information beforehand there is no doubt we would have eliminated him before it was sent to the Commission.

Q. I find in other cases "unsuitable, slow and without initiative?"—A. We must have men in the city post offices with initiative.

Q. I find that at Moose Jaw there seems to be a number under one heading, "unsuitable, slow, indifferent and without initiative?"—A. There is one point I would like to make, that these men were given a trial. Every Christmas we take on temporary help. The case at Moose Jaw brings that to my mind. These men were taken on at Moose Jaw, given a trial during the two or three months and were absolutely unsatisfactory. The postmaster said it was no use to have them.

Q. But they had successfully passed their written examination?—A. They had successfully passed their written examination, but they were unsuitable for post office work.

Q. There is another man "physically unfit," could not that be earlier discovered?—A. Yes, it could. I do not know what date that is but within the past two years the Commission have set up a scheme whereby there is an oral examination held, where the postmaster or his representative is present. Of course that enables us to get away from conditions like that.

Q. That is referred to at the oral examination?—A. That is the oral examination.

Q. At which the Commission have a representative, you have a representative and the returned soldiers have a representative?—A. That is a recent innovation, in the last two or three years.

Q. I do not know how these are arranged, whether they are in order or not. "Physically unfit for postal service" seems to be quite a prominent reason? —A. If a man has only one leg we could not very well take him for a letter carrier.

Q. Why were they permitted to be successful in the written or oral examinations and then rejected because they were physically unfit?—A. I would say there was no oral examination in these cases.

Q. No oral examination?—A. No.

Q. Has that not been the practice?—A. I think it has been the practice in the last two or three years.

Mr. BLAND: Longer than that. I think these cases refer to disabled returned soldiers who were given an opportunity to show on the job what they could do and it was found in certain cases they could not carry on and they were rejected.

The CHAIRMAN: That would be necessary, under the disability statute?

Mr. BLAND: Yes. We are getting less of these since the present oral test is in force.

By Mr. Bowman:

Q. Surely that is one of the things that should be determined prior to the men being placed on the job?—A. There have been cases where the men's testimonials have probably been found not *bona fide*.

By the Chairman:

Q. Where the man's testimonials were not *bona fide* surely that should be all discovered before the man comes for the work?—A. Yes. An odd case is likely to slip through in all appointments that are made. If you compare these with appointments made there are very few. Giving an individual case looks bad, but the appointments we get from the Commission, generally speaking, are very satisfactory. I might say, as far as our service is concerned, we have had splendid co-operation both in regard to appointments and promotion in city post offices.

Q. Is there an age limit prescribed by the Civil Service regulations for appointments?—A. Thirty-five, except for returned soldiers.

Q. Does that apply to all your department or merely to the lower grade?—A. I believe it applies all the way through. I can only speak with confidence in regard to the outside service.

Q. Does that limit determine experience for efficient service?—A. Yes.

By Mr. Bowman:

Q. Would you mind repeating the three recommendations?—A. First, annual increases should be authorized by the department rather than by the Civil Service Commission; the second was that promotions on the basic classes should be left with the department, from postal helper to letter carrier; postal helper to mail porter should be made on the basic class.

Q. Is there any reason why all the promotions should not be left to the department, except that they should be finally left to the Commission for review?—A. That is what is done now, as far as we are concerned. There is very little red tape in our promotions. A vacancy occurs, as Mr. Coolican said, and up to a senior clerk we do not even go to the Commission. The department advertises it without going to the Commission. We know that man is necessary, on the establishment of the post office. We want to get it filled as soon as we can. Some of our men are on days and some on nights; we cover 24 hours a day, and some of the men on the day staff would like to know about the position. Unless it is advertised he cannot see it. It is advertised; the postmaster gets his advisory officers and they make the ratings. They come to the department. They are checked up and sent to the Commission. That gives the employees somewhere to go to. They know the departmental offices, plus the officials of the city post offices rate the men. They like to have someone else to appeal to, and the Commission is the board they appeal to. That is the procedure we follow to-day.

Q. Would you mind bringing me your file, setting out some promotions?—A. Yes.

Q. They work satisfactorily?—A. Yes. You do get some complaints. We had one in the postmastership at Quebec, which I propose to take up in a few moments. You will get that in any case; you are bound to get complaints, but the fact that the Commission have a review is a good thing because we like to keep the men satisfied and they find if they can go to an independent body and get a hearing they are satisfied.

Q. In other words this Committee may take it that promotions are handled, to all practical intents and purposes, by your department?—A. They are made in the department and submitted to the Commission. I just make this point, we do not say John Brown is recommended, but we say his rating for quality of work is so much; his rating for integrity is so much. We know fairly well who is going to get the job. There may be an odd case where two men are rated very closely. Now, we do not care whom we get of the two men; one is just as good as the other.

By Mr. MacInnis:

Q. In other words the department is the examining board?—A. Yes.

Q. And the board makes the appointment on the score made by the examination?—A. This procedure was put into effect with the co-operation of the Civil Service Commission. Mr. Bland came up to the department and saw our difficulties, and since this procedure was adopted we have had no trouble.

By the Chairman:

Q. Apparently then your department is a working demonstration of how well the system of promotion, on the basis you have outlined, has worked out?—A. Yes.

Q. So the Commission is the balancing weight to see that patronage does not creep in?—A. So long as we hew to the line, we have no trouble. Third suggestion. We would like the eligible lists so arranged that the Commission put on the eligible list sufficient men to cover our requirements for the year only. A man is advised he is going to get a job with the Post Office department. After twelve months he gets no job and he starts to make inquiries. Sometimes before he can get a job the eligible list is cancelled. We take men from the eligible list after two or three years who have just scraped by with 60 per cent. All that we ask is that the eligible lists be so arranged that they cover the annual requirements of the department.

Q. Who would have jurisdiction over limiting the number of the positions? —A. The labour turnover due to the separation from the Service is more or less constant.

Q. Could the Commission set an eligible list?—A. We could ask the Commission to please make an arrangement to get up 60 nominations for such and such a class for the beginning of the year.

Q. The Commission calls an examination and they may have 300 names? —A. Yes.

Q. Now, the Commission having 300 names, can they delete 200 or 250 and leave 50 as an eligible list?—A. You mean when the examination has taken place already?

Q. Yes.—A. What we suppose is that they would advertise that 60 people who got the highest marks would get the nomination.

Q. Can you do that without legislation?—A. I could not say that. I imagine the Commission have power to do that in their own Act. I am not sure, but I imagine they have that power.

The CHAIRMAN: Look at Regulation 31.

Mr. BLAND: I think Regulation 31 restricts the lists as to time but not as to the number of names.

The WITNESS: It is the number of names I am talking about.

The CHAIRMAN: It is under a section of the Act they have power to restrict the names.

The WITNESS: I think they have power to make regulations with regard to time and probably names.

The CHAIRMAN: Section 5 provides the Commission shall make such regulations as it deems necessary for carrying out the provisions of the Act.

Mr. BLAND: The younger civilian applicants have practically no chance to fill the appointment. There is dissatisfaction on both sides of the case. It is a question of choosing which is the better, in the interests of the Service.

The CHAIRMAN: The lesser evil of the two.

The WITNESS: Yes. We think the lesser evil of the two is to restrict the list. I think representations were made by Mr. Duncan in regard to the assistant postmastership at Quebec.

The CHAIRMAN: In the course of the presentation of their suggestions, he was asked to give an individual instance of the point I mentioned.

The WITNESS: I am not speaking of it in a spirit of criticism, but the question of the assistant postmastership in Quebec was one where I was on the rating board myself and therefore I would like to mention that case, how it came about. I cannot do better than read a memorandum I prepared for Mr. Coolican, when I came back from Quebec.

By Mr. MacInnis:

Q. What is the date of that?—A. 1931, October. My memorandum is dated then. It must have been somewhere about that time.

Re: Ratings for the position of Assistant Postmaster, Quebec

The ratings for this position are at present before the Civil Service Commission. The department does not yet know who will be the successful candidate, but from our appraisal of the ratings it will be Mr. J. B. L. Morin. The ratings were made out by the postmaster at Quebec and by the superintendent at Quebec, and the undersigned reviewed the ratings for "Fitness for the vacant position."

If any officers are competent to judge the qualifications of the various candidates, they are the postmaster and the district superintendent and in the presence of the undersigned these men discussed the merits and demerits of all the candidates who applied and the ratings given were arrived at after the ability, qualifications and personality of each candidate had been weighed up.

It was known at the time the ratings were made out that Mr. Morin had failed at certain examinations in office duties and procedure. If the position for which the ratings were made was senior clerk or principal clerk more consideration would have been given to his fitness in this respect, but when the candidate is an applicant for the position of assistant postmaster the rating officers must look further than the man's ability to pass a written examination. They must consider his ability to supervise and administer a staff and to deal with the public on general post office questions, and it was on this basis that Mr. Morin was rated for the position.

Dealing particularly with the question of examinations, it might be stated that Mr. Morin in his last three examinations on postal laws and regulations, obtained a percentage of 97, 93 and 86.

On the 29th September, 1931, he passed a minor sortation examination with a percentage of 91·2.

It is true that in October, 1930, he failed on an examination on office duties and procedure, obtaining only 62 per cent, but on looking at the questions set at that time it is found that Mr. Morin lost his chief marks on questions concerning international reply coupons and transactions of savings bank business.

It is practically an impossibility for any employee to know every minor detail of post office laws and regulations so that he can answer satisfactorily any question set, and although the department does not countenance failures in any examination, nevertheless it is considered that notwithstanding his failure in the examination he had other qualifications more important in the present competition which justified the rating given to him.

In conclusion, it might be stated that in this case not only was Mr. Morin the selection of the postmaster and the district superintendent but the choice is also concurred in by the chief inspector, Mr. Fortier, who is in a position to judge the merits of the various candidates, in view of the fact that he was acting postmaster at Quebec for an appreciable period during last year.

The proof of the pudding is in the eating.

The Chairman:

Q. What was the point involved in this Quebec case?—A. The point was this Morin was a senior clerk, who stepped over several other employees to the position of assistant postmaster.

Q. These other employees were higher in rank than Morin?—A. Yes.

Q. Did they write the same competition?—A. There was no written examination. You mean the one Morin failed on?

Q. Did they write that, these other candidates?—A. Two of them did not have to pass that examination. These examinations are purely departmental examinations, not the Civil Service examination at all.

Q. They take the place of the Civil Service examination?—A. We insist on all our men taking examinations each year to keep them up to scratch. We must do that, to keep them up to scratch.

By Mr. Laurin:

Q. Is it very important for the efficiency of the Service that they should have an examination each year?—A. I might say it is absolutely necessary. It is a very good thing. The point I want to make here is this man failed on a very minor technical point. I do not know to-day the particular regulations on which he failed, which I probably should know. They are on the back of an international reply coupon. It is a very minor detail and this man lost marks on this ground. We mark these papers in a very technical manner. We do that with malice aforethought. We want to keep them up to scratch. We want them to know the details in regard to the Post Office department work, properly expect them to know it thoroughly in detail.

By Mr. Laurin:

Q. Is it necessary for a man to pass an examination before he gets an annual increase?—A. We use that as a basis for annual increases. Our employees to get an annual increase must pass an examination of some kind, either an examination on sortation, or office duties and procedure, or postal laws and regulations.

Q. What happens to those men who do not succeed for many years and have no increase in salary?—A. We have cases that have not had increases for many years, by virtue of the fact that they have not passed the examination, and often when they have got past the point where they are entitled to annual increases—the maximum of their class—we nevertheless insist on these examinations to maintain the standard of the service. I can exemplify that by taking the question of sortation. If a man does not keep up with his studies on sortation he becomes useless to us as a sorter. The method in which offices are served, the lines by which they are served are changed every time there is a change in a railway schedule. If we put in a new office the sorter must know where it is. Unless that man keeps up to scratch he is no good to us. Therefore, the only way he can do that is by our calling upon them to pass this examination. The point I would make in this case is that the examination was really not a vital factor in this competition. There were other factors which were of more concern—the man's initiative, his ability to administer a staff, which was the important factor, and his ability to meet the public; and, as I say, in this case the man that we put in has improved the service to a great extent in the Quebec post office.

By the Chairman:

Q. Apparently, Mr. Underwood, this was a case where Morin was promoted to assistant postmaster from a lower grade than other applicants held at that time?—A. Yes. That is right.

Q. And the recommendation of the department, for the reasons which you set out, was that he should obtain the promotion?—A. Yes.

Q. And it was confirmed or approved by the Civil Service Commission?—A. Correct.

By Mr. Ernst:

Q. I would like to ask Mr. Underwood a question which I do not believe has yet been touched upon by the Post Office department officials. What experience have you had with the Organization Branch of the Commission?—A. Well, I have had quite an extensive experience, in as far as the outside service is concerned, but our service is a very small one from an organization point of view.

Q. Put it this way: Has the Organization Branch of the Civil Service been of any material assistance to your department?—A. Yes, I would say in the matter of classifications they have.

Q. I am not talking of classification?—A. Not as regards organization in the outside service, for this reason—

Q. Or the inside service?—A. I cannot speak of the inside service; I do not know much about that; but as far as the outside service is concerned—the city post offices follow along natural lines. That organization falls on letter carriers, forward sortation, money orders and the like.

Q. I do not think it is as simple as that. You spoke of the outside service. I asked you in so far as the Organization Branch is concerned, if the Commission has been of any use to you and your answer is no?—A. Yes.

Q. Now, in the second place, there was a suggestion made by the Organization Branch, or by Mr. Putman, I think, that your outside service could be improved and economized; did you see that suggestion?—A. Yes.

Q. That some city postmasters should take over the district superintendent's work?—A. That point was dealt with fully by Mr. Coolican this morning.

The CHAIRMAN: He is against it.

Mr. ERNST: I agree with him.

By Mr. Ernst:

Q. Just one thing further. Your work is concerned largely with the outside service?—A. Yes.

Q. Entirely?—A. Practically entirely.

Q. Although you are a cog—.—A. In the departmental machine.

Q. You do not know whether the Organization Branch has been called into your department in any way to render any assistance?—A. No. I would not know anything about that. That would be a matter for the Deputy.

By Mr. Bowman:

Q. I notice at page 36 of the returns from the Post Office Department, in answer to the query of the Committee for a statement showing the increase in the departmental staff due to the operation of the Civil Service Commission, this answer: "If the Civil Service Commission did not exist, the staff required would depend on the procedure adopted in respect to appointment and promotion."—A. Yes.

Q. Well, with regard to promotions, apparently from what you say it would not make a great deal of difference because you are handling this yourself?—A. Not a great deal. The only thing is that we would not have the correspondence in referring it to the Commission.

Q. "If all communications with the Civil Service Commission were discontinued, an approximate estimate of the possible staff reduction would be six employees?"—A. Yes.

Q. It takes six employees to handle the work?—A. Correspondence *re* the revenue postmasters, and the filing which is necessary for it.

Q. What filing?—A. You know the filing clerk. Take it this way: Say we have 12,000 offices—we must not take 12,000—7,500. The Commission does not appoint them—take the remaining 4,500 files. Every time a letter comes in on a competition we have to go and get that file and bring it up backwards and forwards.

Q. So that the suggestion which Mr. Coolican and yourself have made with respect to the transfer of post offices with revenue less than $3,000 out of the service would mean quite a saving?—A. A corresponding reduction in the inside service, in addition to the saving in the outside service, yes.

Q. I notice also in looking over the report, that as might be expected with a great number of employees, that there are a number of dismissals because of thefts?—A. Yes.

Q. Is the department protected by bonds, or insurance?—A. No.

Q. No protection whatever?—A. Not of that kind.

By Mr. Ernst:

Q. Do you not take personal bonds?—A. There used to be a system.

Q. You do with the mail drivers?—A. I do not think so now. We used to have it. Oh, yes, for mail contracts, yes. There is a bond in those cases, but not in regard to our ordinary civil servant; no.

By Mr. Bowman:

Q. I had not in mind the mail contracts, because I know they are bonded? —A. Yes, they have a bond.

Q. But in the other cases, do you mean to say that the Post Office department has no protection?—A. No bonds.

By the Chairman:

Q. Revenue postmasters are not bonded?—A. Not bonded.

By Mr. Bowman:

Q. It is not only revenue postmasters?—A. You mean all employees proper in the city offices?

Q. Employees proper?—A. The regular civil servant?

Q. I did figure out roughly the number. I think I saw 60 or 70 cases of dismissals because of theft. What happens in those cases so far as the actual loss is concerned by reason of the theft?—A. It is a point with which I am not very familiar myself, but I will explain it as well as I can. Mr. Coolican would know more about it.

By Mr. Chevrier:

Q. The honesty of your employees is good?—A. The efficiency of our inspectors is very good.

By the Chairman:

Q. You are a great booster for the Post Office department?—A. We have to be. We have one thing in mind, and that is the good of the public service. We have to pull together.

Q. You mean that you all pull at the same time with different oars?—A. I accept the correction.

By Mr. Bowman:

Q. Apparently, there have been from 1925 to 1931, according to your returns, 88 cases of dismissal for theft?—A. Yes.

Q. And would you say that the Government is protected?—A. Yes.

Q. May I put it that way?—A. Yes. That is one thing that the Post Office department is very keen on, and that is the inviolability of the mail; it is a commandment with us.

Q. That is the first principle?—A. Absolutely.

By Mr. Ernst:

Q. The amounts would not be substantial?—A. No, small amounts. Never anything very serious. We have never allowed it to go that far. We pick them up before it gets to that.

By Mr. MacInnis:

Q. Does a prosecution follow?—A. In some cases. We are very generous in that regard. What we are more concerned with is getting rid of the man.

By Mr. Chevrier:

Q. The punishment is rather severe?—A. It is very severe for tampering with the mail—very very serious—there is a minimum of three years.

The CHAIRMAN: In my experience in defending people I have found that very punishment very often helps me with the jury to get a man off.

By Mr. Bowman:

Q. Have you any suggestions to make, Mr. Underwood, as to any saving in the matter of routine proceedings as between your department and the Civil Service Commission?—A. Not other than the three points we mentioned. We have a very good working arrangement with the Commission, and we have the red tape backed right off the board.

Q. I am glad to hear that?—A. We can say it because the Commission may give us a little more latitude than other people, but we have got to have it. We have to run our service. We cannot have any delays as far as the service is concerned. We simply have got to give the public the service.

Q. And you have been given considerable latitude in connection with a lot of these matters?—A. Probably I should say that we have had 100 per cent co-operation, and latitude where it is necessary.

By the Chairman:

Q. Now, Mr. Underwood, with regard to the statements which you have just been making, in order that we may have the matter clear—these references to the Post Office department and its service, other than the revenue postmasters, you dealt with them in a separate class?—A. Yes. I have dealt with those separately—two different classes.

By Mr. MacInnis:

Q. I have some inquiries to make with regard to certain appointments in the west. Does that come under you?—A. Yes. If they are in the city post offices.

Q. There is the appointment of Mr. Morrow as assistant postmaster?—A. New Westminster?

Q. Yes, 1929, I believe; and Mr. Huff, the position of overseer, and Mr. Bolton to the clerical staff, and the demotion of Mr. Dransfield?—A. Are these all in New Westminster?

Q. Yes. All in New Westminster?—A. Would you like a memorandum?

Q. If you will have the files here, we will ask questions on them?—A. Whatever you wish; it is all the same to me.

Q. You had better bring the files.

The CHAIRMAN: I would like to take this opportunity of correcting something appearing in the record of the proceedings which I have observed. In a discussion which took place at page 259 of the record, Mr. Chevrier is credited with saying:

> When there have been a number of inroads made on the merit system, I have no hesitation in saying, right now, it is my mind there is another encroachment and that is the thin edge of the wedge. I am not in favour of that legislation at all.

That is dealing with the question of private secretaries. The next statement, according to the record, is:

> *The Chairman:* I think I agree with you.

I never made such a statement. I think the honourable gentleman who sits on my left, Mr. MacInnis, is responsible for the statement. I think that was his statement. I cannot understand his dulcet tone being taken for mine.

Mr. MACINNIS: I think that is correct.

Mr. CHEVRIER: I still agree with what I said.

Mr. MACINNIS: I still agree with you.

The Committee adjourned to meet Wednesday, April 13, at 11 o'clock a.m.

HOUSE OF COMMONS,

APRIL 13, 1932.

The Select Standing Committee to inquire into appointments to and the control and direction of the Civil Service of Canada and, generally the administration and operation of the Civil Service Act, met this day at 11 o'clock a.m., Mr. Lawson presiding.

Dr. ARTHUR BEAUCHESNE, called and sworn.

By the Chairman:

Q. The correct title of your official position is Clerk of the House of Commons, is it not?—A. Yes.

Q. Dr. Beauchesne, some representations were made to the Committee that all employees and those engaged in the service of the House of Commons should be brought under the Civil Service Commission. The Committee thought they would like to have your views with respect to the matter, because of your knowledge of the Service and your intimate knowledge of the situation. Would you be good enough to let us have your views in connection with that?—A. Whilst, Mr. Chairman, the intention was to bring in the temporary employees of the House of Commons under the terms of the Civil Service Act as permanent ones—under the Act, at the present time, the permanent employees of the House are the only ones that come under the provisions of the Civil Service Act—there is nothing in the Act with respect to temporary employees, who are about 300 in number during the session. They are appointed on recommendation altogether, with the approval of the Speaker,—on my recommendation and that of the Sergeant at Arms, with the approval of the Speaker. This is done under the Standing Orders of the House. Of course I am decidedly opposed to having these employees appointed by the Civil Service Commission.

Q. That is the permanents?—A. Of course I am opposed to both. I think the Civil Service Commission does not work out well in that connection and I think it was a great mistake to bring the permanent employees of the House of Commons under the Civil Service Commission, because there were a great many reasons against that. In the first place it is a question of principle. I think it is one of the privileges and one of the immunities of the House of Commons to have control of its officers. In a memorandum left by one of the most distinguished Clerks of the House, Sir John Bourinot, before the Civil Service Law was passed, I find the following:

> The control and management of the officers of the Houses are as completely within the privileges of the Houses as necessary to the conservation of dignity and the efficient conduct of public business, by a legislative body, as "any regulation of its own proceedings, within its own walls." These officers are under the guidance of certain Rules and Orders of the Houses which are among the regulations of its (*sic*) proceedings, and as essentially matters of privilege as the appointment of Committees, the conduct of public business and the procedure of the Houses generally, including the acts of the Speaker himself in the Chair.

Now, of course, the House of Commons has divested itself of some of its privileges by transferring to the Civil Service Commission the appointment of its employees, their classification, the fixing of their salaries, their promotion, but not their dismissal or not the organization of its staff. The matter was brought up in 1908, when the first Civil Service Act was passed, by the late Sydney Fisher. Sir Robert Borden then took the stand that the organization of the House of Commons should not be placed under a Commission responsible to the Governor in Council. The opinion of the late Sydney Fisher will be found in Hansard, June 29, 1928. The House of Commons is not a department of Government; it is not under a responsible Minister of the Crown. The members of the House of Commons come to Ottawa in order to control the government. It seems to me the House should have the right to appoint its officers and the officers should not be appointed by Government. There are no departments of the Service in which the duties are similar to those in the House of Commons. No man trained in ordinary government department affairs is competent to fill any of our ordinary positions. For instance, we have Committee Clerks. There is no department which could train a Committee Clerk for us. We have six or seven. We have the Journals Branch. Where is the department which could train a man for the Journals Branch? If a man leaves the Journals Branch, or the Committee Branch, where is the department which could give him a training to fill such a position? There is none. We have our Law Branch. Our Law Branch cannot be assimilated to departmental Law Clerks. Our Law Clerks draft laws for the departments at the request of the deputy ministers. Upon their experience depend a lot of very important decisions. It may be the ruination of a family; it may be the downfall of a Government. These men need special training and are very good men. The Civil Service Commission never understood that. We had the Civil Service Commission, in 1929, to reclassify our staff. The Civil Service Commission refused to give our Law Clerks, for instance, a higher salary than the Editor of Debates. I never could understand it. We had a gentleman from the Civil Service Commission, Mr. Putman, who had charge of the reorganization. He was not with me more than half an hour and he reorganized a staff of 80 or 90 people, in the special branches of the House of Commons—where there are specially trained officers—like the Journals Branch; the Committee Branch; our Accountant's Office, where we require special accounting and our Stationery Branch. We spend $25,000 on our stationery here. The Chief of our Stationery Branch is also in charge of Requisitions; he has a very important position, but still the Civil Service Commission think his position must not be classified higher than that of a stationery clerk, because he belongs to a class. They have an automatic classification, and they apply it to us. We claim they cannot apply it to us because the circumstances are different. Our people work day and night during sessions. True, they may have a long recess, although not as long as people think. If you consider they have to work, morning, afternoon, and evening, during the session of 125 days and their work increases a few weeks before and after the session, if you figure this out they, of course, put in more working hours in the year than the ordinary civil servant who works only during statutory hours in the departments. So far as that goes the House is quite different altogether from the departments.

I see that the Chairman of the Commission suggested in his evidence that the law be amended so that in case any decision will have to be taken with regard to our officers' classification and salary during recess, that that decision be taken up by the Governor in Council. The Chairman of the Commission said that was an old law but that it was deleted in the revision of the Statutes in 1927. I do not understand it that way. It was always the law; it was a law passed in 1908. In 1927, when the revision was made, they divided it into

two paragraphs. Where there was a comma they put in a period. They made a new paragraph in order to make it clearer. In 1908, as we can see by reading the Debates, it was distinctly understood that the Governor in Council would never have anything to do with the approval of the recommendation from the Civil Service Commission respecting our employees. Since we have our own organization is it not logical that we should have the final say as to the classification and the salaries? We have always had to resist continuous encroachment on the part of the Civil Service Commission upon our rights. When we asked the Civil Cervice Commission, some years ago, in 1928, to classify the staff, it made an attempt at organization and classification. The preamble of its report reads as follows:—

> The Civil Service Commission, on the recommendation of the Honourable the Speaker of the House of Commons, and as provided in Section 61 of the Civil Service Act, respectfully begs to report as follows in connection with the organization and classification of the members of the permanent staff of the House of Commons, and submits for favourable consideration and approval by Resolution of the House:

The Civil Service Commission had nothing to do with our organization, still it assumed that power in this report and submitted to the House of Commons for its approval a report respecting both organization and classification. I had to divide their report in two, one for classification which was under their control and one for organization which was under our control, and Mr. Speaker presented both to the House. They were accepted and passed. Of course, the Civil Service Commission refused about half of the suggestions we made and we have never had any reason for it. It seems to me it is very important for us to know those reasons. After the classification was finished, there was more dissatisfaction amongst the staff of the House of Commons than there had ever been before. It made the unrest of the staff much worse than it ever was. We had asked for increases, in order to make the salaries uniform. They were refused, without any reason. I submitted to the Civil Service Commission that the Chief of the Journals Branch, the Chief of the Committee Branch and the Chief of the Debates Branch were three chiefs who should have the same salaries. I claimed that the Chief of the Journals Branch was the most important. He is the officer who comes next after the Assistant Clerk, after the Clerk of the Table. He has charge of the drafting of votes and proceedings; he reports the proceedings. His report is the *res gestae* of the House of Commons. It is a report of the proceedings which is accepted under the Evidence Act in any case where evidence must be established as to what the House has done on certain matters. The man who drafts that must be very familiar with certain Rules and certain Standing Orders. It is really a technical position. It is very well done now by Mr. King, who has been there for a great number of years—over forty years. Mr. Putman, in the time he was here, probably did not intend, and did not report, that Mr. King's salary should be more than Mr. Simpson's. Mr. King got an increase from $4,140 to $4,440, leaving Mr. Boyce, his assistant, with $1,000 less. The gap was too large and, of course, Mr. Boyce, the assistant, had a proper grievance. The same happened in the Committee Branch, where Mr. Cloutier was left at the same salary. He is now Chief of the Branch of which Mr. Todd was then Chief. Now, I need not go through all that, but it is sufficient to say that no reasons were given to us. We were not given the satisfaction of knowing why our request for reclassification, which we had prepared with some care, was refused. One of the great drawbacks with regard to the Civil Service Commission in connection with the House of Commons is the length of time it takes to make an appointment. We needed the appointment of an assistant curator of the Reading Room. We asked the Civil Service Commission by requisition on November 14, 1930, to make the appointment.

By Mr. Bowman:

Q. What date?—A. November 14, 1930. The appointment was made on May 12, 1931. It took all that time, from 1930 to 1931, to make that appointment for a salary of $1,080 a year.

Q. Just before you leave that: Why?—A. That is what I do not know. I do not know that.

Q. To your knowledge is there any reason for that?—A. Not at all. It seems to me the system is bad. I do not know what happened.

By Mr. Vallance:

Q. If you had had the rights and privileges you are now suggesting you should have, how long would it have taken you to have made that appointment? —A. Half a day.

Q. What would your procedure have been?—A. Well, I have a long list of applicants and I know a lot of people here, in the Civil Service, and elsewhere, and I could have selected one in half a day.

Q. You would have confined your selection to the city of Ottawa?—A. Not necessarily. I would not do that as a principle. If anybody came from outside and was competent I would have considered him.

By Mr. MacInnis:

Q. How would he know in half a day there was a vacancy?—A. I would know.

Q. So that you would know in half a day. That would be half a day from the time the vacancy occurred until the time the vacancy was filled?—A. Yes.

Q. How were you to get word to a person outside of Ottawa in half a day? —A. I was not considering that at all. I will give you some more examples. I can admit, when one has to choose his civil servants from over the whole of the Dominion it will take some time, but I do not think it should take six months.

Now, I will give you some more instances: There was a man to be appointed as assistant parliamentary reporter. The requisition was sent to the Civil Service Commission on July 23, 1930; the appointment was made on February 25, 1931. There were two appointments.

By the Chairman:

Q. Excuse me. What were the appointments? As what?—A. Appointment as assistant parliamentary reporter. Then there was a position in the accountant's office. There there was some delay. We asked that the proceedings be held, but it was on the 6th May, 1930, that we made the application and the appointment was made on the 17th April, 1931.

Q. What was the position?—A. Clerk in the Accountant's Office.

Q. Any reason that you know of for delay there?—A. There were some appointees; one of them did not accept; it took some time before one made a decision; another one found another position and did not accept and then there was some other delay. One of them was in British Columbia and he stepped out, and I took the fourth that had passed the examination and that, of course, caused some delay.

By Mr. MacInnis:

Q. In 1930, in 1931, how many positions were filled in the House of Commons staff, or what you are reviewing at the moment?—A. In 1930 and in 1931, offhand, I would name Howe, Butt, Bissonnette, Schryburt. There were maybe four more in the two years. Four would be a big year.

Q. How many?—A. Four.

Q. There were only four altogether?—A. There may be some years where there are as many as four vacancies; there may be some years where there are no vacancies.

By Mr. Vallance:

Q. In your opinion would it tend to improve the service in the House of Commons, also would it make the staff itself any more efficient, if you had the privileges which you think you should have?—A. I think so.

Q. And then, of course, as has been pointed out in the previous question I asked you, you would confine your choice pretty much to a limited area?—A. I do not consider that in the least. I would gladly accept the present system, provided we made the choice.

Q. That is the only difference?—A. The difference is very important. We are in a better position to choose men. The Civil Service Commission has given us some men that were very good—and some men we could not keep. In the final analysis, we did make the choice. The Commission is in a very happy position. When a good appointment is made it takes credit for it, but if the appointee does not make good, it says: the deputy head accepted him. Every man is appointed on six months' probation. Thus we have the final choice.

Q. The deputy head has the right to refuse?—A. If he has the right to refuse, why has he not the right to choose? They gave us some men we could not keep. I would say they gave us a translator last year whom we could not keep. He was not a good translator. They have given us people we could not keep on the staff for personal reasons, people whose behaviour was not good and things like that. I think perhaps the system may work fairly satisfactory in appointing people from the outside.

Q. Perhaps?—A. Perhaps fairly satisfactory. We have made appointments through the estimates and I would say most are very good, with some bad. I would say the Civil Service Commission might work it all right as far as that goes, but for promotion it is different. In promotions it does not always work out well.

Q. Because of seniority?—A. Because of seniority. It does not always work out well.

Q. Are you giving your evidence now for the staff of the House of Commons? I mean did you discuss it with them, or are you merely speaking now as one whose suggestions if adopted and recommended to the Government would have the right to make all the appointments, subject to the approval of the Speaker? Does the staff approve of your statements?—A. I am speaking in the interests of the House of Commons.

Q. Are you speaking for the staff?—A. I am speaking for the management of the House.

Q. But you have not discussed it with the service, as you have it to-day?—A. No. I think the efficient management of the affairs of the House is the first consideration.

Q. It should be.

By Mr. Chevrier:

Q. Dr. Beauchesne, in making the appointments of those who are not now within the jurisdiction of the Civil Service Commission, those appointments are not confined to the city of Ottawa?—A. Oh, no. We have a large proportion from outside of Ottawa.

By Mr. Vallance:

Q. Dr. Beauchesne says if he had the power to make appointments he could have made them in half a day instead of taking nine months?—A. In some

instances. That is what I object to even in some instances. I would not like the idea to go abroad that I said I would make every appointment in half a day, but I would be perfectly willing to send out notices all over the Dominion and not wait, and I do not think it would take nine months, as it did in the Civil Service Commission, in some instances.

By Mr. MacInnis:

Q. It would not be fair to have the idea go abroad that it takes nine months in every instance?—A. I do not say in every instance, but it takes a long time. I have given you cases where there was no interference and it took nine months.

By the Chairman:

Q. Dr. Beauchesne means there was no departmental interference?—A. No departmental interference, and there is no correspondence with the Civil Service Commission showing that I asked for any delay. Now, the Civil Service Commission must have very good reason, which they probably have, to show why their system is very slow.

By Mr. MacInnis:

Q. In regard to these half-hour appointments: If appointments in the House of Commons are open to people of Canada in general— —A. What do you mean by half-hour appointments—

Q. You said you could fill the appointments in half an hour?—A. No, half a day.

Q. How can you advertise all over the Dominion and get replies in half a day?—A. I would not insist on making the appointment in half a day. What I had in mind was, it should not take more than half a day to make the appointment, when everything is ready.

By Mr. Vallance:

Q. My question to you was, following up your statement that it took the Commission nine months; how long would you take. You said half a day, as against nine months?—A. Now, that you explain the question to me, I will not say half a day.

Q. You said it took a long time, leaving it to the Civil Service Commission? —A. I might have said it would take half a day. That is not the gist of my evidence here, that I would say it took half a day.

Q. I merely ask you how long it would take you?—A. I think five or six weeks at the most.

Q. I do not wish that evidence to go out through the country that you can do something in half a day the Civil Service Commission could not do in nine months.

By the Chairman:

Q. I consider Dr. Beauchesne was speaking figuratively, not literally. I presume when you referred to a list of persons you had available who were desirous of procuring appointments, I presume there are people on the staff other than from Ottawa?—A. Yes, there are some from all over the Dominion.

Q. I suppose, from time to time, you receive requests or representations from people, or on behalf of people, who desire appointment to the House of Commons staff?—A. I do.

Q. And those are now available to you?—A. Yes.

Q. Would you just outline, in a rough way, for the Committee, those appointments generally to the House of Commons staff which are now permanent appointments and hence made by the Civil Service Commission, as distinguished

from those which are purely temporary appointments, made on your recommendation, subject to approval?—A. The permanent appointments are those officers who require special training for the performance of their sessional duties, and they are paid the whole year round in order that their services may be secured every session. There are in the Law Branch, the joint Law Clerks. In the Law Translation Branch, there is a chief and there are two assistants. In the Journals Branch, there is a chief and the assistant and a head clerk; the chief of French journals. There are in the Committee and private legislation Branch, the chief of the Branch, an assistant chief, senior committee clerk and four committee clerks. In the general translation branch, there is the chief, and ten parliamentary translators. In the debates and translation branch, there is a chief, an assistant chief and 14 translators. Then there is the Debates Reporting Branch, with an editor of the English section and six parliamentary reporters. They have amanuenses appointed on the temporary staff. There is the editor of French debates, and one French parliamentary reporter. There is the chief accountant, with two accountants. There is the chief of parliamentary papers. There is a large staff of over 80 stenographers, who are temporary. A postmaster, who has an assistant and a permanent clerk there and there are eight or nine temporary clerks. There is a Curator of the reading room, two assistant curators of the reading room, and then there is the joint parliamentary distribution office, consisting of a chief assistant and a clerk. There is the chief parliamentary messenger and the chief housekeeper.

Q. Those under them are temporary?—A. Those are temporary. They are appointed every session.

Q. What about the protective service of the House?—A. The protective service of the House is temporary. It is under the Sergeant at Arms.

By Mr. Laurin:

Q. Do you mean to say for organization or classification of all these the Commission never ask you any for suggestions?—A. No. I went before the Civil Service Commission and I delivered a monologue there for an hour and a half and they did not put me a single question. The three Commissioners were there, with some of their officers, and I spoke for about an hour and a half. They never put a question to me.

By the Chairman:

Q. Any action taken as a result?—A. They refused half of my requests. I never knew why.

Mr. VALLANCE: You were lucky.

Q. They refused half of it?—A. Yes. I think it would have been much better if they refused all, because there would have been less dissatisfaction on the staff. There is a great question, where this organization stops and classification starts. We decide we should have two clerks, Grade 4, in a branch and we send the requisition to the Civil Service Commission and they say, "We are going to give you a clerk grade 2. You need only a clerk of that grade." Is not that an encroachment on our organization? The matter was submitted to the department of Justice and the department of Justice gave the opinion that, in making the classification, the Civil Service Commission could encroach on the organization. If they can do it, why cannot we not encroach on classification in making our organization. It seemed to me if it applied in one case, it should apply in the other case.

By Mr. Ernst:

Q. You say Mr. Putman, who is chief of the Organization Branch of the Commission came to the House of Commons and spent half a day going over— —A. That is a little exaggerated. Half an hour.

Q. Going over what? The whole staff of the House?—A. He came to my office.

Q. How did he come? By request?—A. By request, yes. It was understood he would send a gentleman here to look over the situation, and that was all that was done.

Q. Was there any concrete suggestion for re-organization?—A. He had nothing to do with the re-organization. It was purely re-classification and salary.

Q. With whom did he confer, while he was here?—A. He was with me for half an hour at the most and he went down to the Accountant's Office, and I think that is all he did.

Q. I suppose he was very busy?—A. I am sure he is very busy.

Q. As a result of it, did he propose any suggestions for classification or not? Did he himself initiate anything or did you initiate it?—A. I initiated it, and after he had considered my scheme he came here—after we had some correspondence and negotiations with the Commission—he came here to see for himself, before he made a report to the Commission.

Q. Was the House in session or not?—A. I do not think it was.

Q. And there would be a number of permanent officials who would not be on duty then?—A. They were all told to be here.

By Mr. Ernst:

Q. Did you have a chart?—A. Yes, I had a chart specially prepared for that.

Q. Was that chart prepared by your officers or by the Civil Service Commission?—A. By our officers. I have a copy of it here. Here is my chart.

Q. I will give it back to you.—A. The red ink figures are our suggestions. If you want the Commission's report on that, I can let you have it.

Q. I take it the red figures are the suggested changes?—A. The suggested changes.

Q. For re-classification?—A. Yes. Perhaps I could produce that as an exhibit.

Q. Let us take first your first suggestion, for re-classification. I will not give the figures. For the alteration? Now first there is secretary to the Clerk of the House?—A. Yes. That position does not exist. It was our intention to create that after. We wanted it classified first. Then in the Law Branch; two law clerks; clerk, Grade 4; and a law stenographer. In the translation branch: a chief, law translation branch, and the chief of general translation branch and the ten parliamentary translators. In the Committee Branch; the Chief Clerk of Committees.

Q. In the Committee Branch you suggested re-classification for practically everyone?—A. In which branch?

Q. The Committee Branch?—A. Yes.

Q. For all except one?—A. Yes, and that exception is in red ink there.

Q. In the reporting branch you suggested the reclassification of assistant parliamentary reporter and senior reporter of committees to parliamentary reporter and senior reporter of committees. In the Hansard translation you suggested chief, Hansard translation branch, and the chief editor of debates and chief of reporting branch. In the Accountant's office: departmental accountant, grade 4; departmental accountant, grade 1. Then you suggested the chief parliamentary messenger and housekeeper and assistant chief parliamentary

messengers, three confidential parliamentary messengers; two pages; two supervisors of char service; chief of protective service and four sergeants of protective service; manager of joint parliamentary restaurants?—A. Yes.

Q. Then, you have chief of stationery and requisition branch?—A. Yes.

Q. Principal clerk?—A. Yes.

Q. Clerk, grade 4; chief clerk of the branch?—A. Yes.

Q. Two clerks, grade 3?—A. Yes.

Q. Clerk, sessional papers?—A. Yes.

Q. Clerk of orders?—A. Yes.

Q. And of notices?—A. Yes.

Q. Now, the editor of debates, your changes are in red?—A. Yes.

Q. Postmaster, House of Commons?—A. Yes.

Q. Assistant postmaster?—A. Yes.

Q. Curator of reading room?—A. Yes.

Q. Two assistant curators?—A. Yes.

Q. And in the parliamentary distribution office, chief government distribution office, title to be changed to chief of parliamentary distribution office?—A. Yes.

Q. Principal clerk and clerk, grade 3?—A. Yes.

Q. Have you any comprehensive summary of these requisitions which were granted in your suggested reclassification?—A. Yes, there is the law clerk.

Q. Yes.—A. The maximum granted by the Commission was $4,620, the chief, and the assistant—you see Mr. Olivier there and Mr. Troop. Mr. Troop was granted $4,620 and Mr. Olivier, $4,440.

Q. That is the maximum?—A. Yes.

Q. Perhaps you could file a copy of the Civil Service report. That would be the best way to get that?—A. Yes, I could file a copy.

Q. Perhaps that could be put in the record?—A. I will put this in for the record. (For Report: See Appendix "I").

By Mr. Vallance:

Q. Has the staff of the House of Commons been under the Civil Service Commission since the Commission started to operate?—A. Yes, since 1908, for everything except organization and dismissal. There is a section of the House of Commons Act which governs dismissal.

Q. How long have you been Clerk of the House?—A. Since January, 1925.

Q. You were Assistant Clerk before that?—A. Yes.

Q. Since how long?—A. I was assistant from 1916 to 1925.

Q. So that the staff has been under the control of the Civil Service Commission during your term of office?—A. These matters have been under the Commission's control, yes. We asked the Civil Service Commission to give us at least a parliamentary service which would be different from the other services, from which there could be classes for appointments and promotion.

By the Chairman:

Q. Does a provision apply to the Clerks of Committees, for instance, as distinct from other civil servants, that they are allowed to perform services outside of their duties to obtain money during that part of the year when they are not required here?—A. That applies to all our officers, under section 62 of the Civil Service Act. During recess of Parliament they can work and make money and be paid, even by the Government. We have some reporters who work as reporters on Royal Commissions. They are paid by the Government and there are some of our other officers who work in court houses.

By Mr. Ernst:

Q. Reporters?—A. Yes.

By the Chairman:

Q. Frankly, what I have had in mind was this: since I have been Chairman of this Committee, I have had a much better conception of the responsibility, long hours, and good work done by the Clerks of Committees—and the reporters—of this House. Yet I notice the remuneration provided for them by the Commission is not what one would call princely?—A. We have asked the Commission to increase the salaries of the parliamentary and assistant parliamentary reporters and they have refused to do it. We have referred the matter to the government at last because we have been unable to get a reporter for debates and committees, since the salary is too small. We get good men from Butcher's staff; we get good men from the Court House in Montreal. These men are willing to come here temporarily but, when we ask them to start permanent here for $2,400 a year, they refuse it. It is too small. As a matter of fact we have been unable for six months to get an appointee on that staff, and it is overworked. An examination was held and we could not find a competent man—nobody passed.

By Mr. MacInnis:

Q. Do these reporters come under the Civil Service Commission?—A. They are under the Civil Service Commission.

Q. Formerly they used to be appointed by the Debates Committee?—A. Yes.

Q. The stenographers are practically in the same position as the reporters, that they have to work here part of the year and part of time it is rather difficult to get other employment, between seasons?—A. Well, I do not know about that. Stenographers are not appointed permanently. I do not know how they fare during recess.

By the Chairman:

A. Are you talking about House of Commons reporters, sessional reporters or stenographers?—A. Sessional stenographers.

By Mr. MacInnis:

Q. I thought they were all in the same category?—A. No, they are not. A correspondence stenographer does not need to have the same skill as a reporter who can report speeches. It is very difficult for those stenographers to get work between sessions. They never know how long the session is going to last and they never know when they will be called on. I think some of them come here and after the session, they get temporary positions for six months, and then they are eligible for another session.

By Mr. Ernst:

Q. Is there not a proposal on foot to put the stenographic staff here on a permanent basis?—A. No, not for that. There is a movement on foot to put the debates amanuenses on a permanent footing because the Editor of Debates tells me those typists must be superior typists and we have a staff that has been here for years; some of them have been here for fifteen or twenty years. They work here session after session; they are not eligible for pension, however, because they are not permanent. They make about $1,000. It has been suggested they be paid on a yearly basis and then they would have all the privileges of a permanent classification.

Q. Why could not that be arranged?—A. I think it could be arranged.

Q. Do you not think it would give a more efficient staff?—A. I think it would, although we have an efficient staff now.

[Dr. A. Beauchesne.]

Q. I am not condemning it, but would it not give you a greater efficiency. I come here one year and I have one stenographer and another year I have another to do the same work. Where I come from, there are a great many people with German names. Every time I dictate a letter, I have to spell the names?—A. I think our stenographers average about $600. You have a session that lasts pretty long, so if they work only four or five months they will be paid $600 a year at the most. If you create a permanent position at $600 and you make it lucrative enough to attract efficient girls—

By the Chairman:

Q. You cannot get efficient stenographers for $600?—A. We might appoint them as permanent, but pay them only during the session.

Q. If we take Hamilton, Toronto and Montreal, good stenographers will get $25 a week in salary and work the year around and they have no deductions for ordinary illness and they get holidays every season. Where are you going to get girls of that type, where they are paid $30 a week or more, for a period of three and a half to six months.

By Mr. Bowman:

Q. Do you not get hundreds of applications for these positions?—A. I suppose this year we must have rejected over 100 applications.

The CHAIRMAN: This year is a very extraordinary year. I think you will notice an improvement in the efficiency of the stenographers.

By Mr. Bowman:

Q. In normal times, how many applications will you have each season?—A. In normal times—I did not always handle that myself. It is Mr. Smith, but I would not imagine he would have more than 50.

Q. Do you have to advertise for them?—A. No, we generally have them from session to session. These stenographers are not idle; they usually have positions during the recess.

Q. Between sessions they have all that time to get permanent work if they want it?—A. I think it is a bad thing to rely on sessional work. As a matter of fact the public thinks now they are getting too much.

The CHAIRMAN: Thank you, Dr. Beauchesne.

E. J. UNDERWOOD, recalled:

Mr. UNDERWOOD: Might I first submit the information which Mr. Bowman asked for in regard to the allowances for four revenue postmasters: Preston, Ont.; Prescott, Ont.; Simcoe, Ont,; and Bagotville, P.Q.

PRESTON, ONT.

Revenue year ended 31st March 1931

Stamp sales		$ 20,522 40
Money order commissions collected from public		568 91
	$ 21,091 31	
Box rent collections	1,275 89	
Gross revenue	$ 22,367 20	

Remuneration

Percentage on revenue	$ 6,016 00
Forward allowance	82 00
Box rent commissions	638 00
Commissions on Postal Note, Savings Bank and Government Annuities business	36 45
	$ 6,772 45

PRESCOTT, ONT.

Revenue year ended 31st March 1931

Stamp sales	$ 14,129 17
Money order commission collected from public	1,130 12
	$ 15,259 29
Box rent collections	1,167 75
Gross revenue	$ 16,427 04

Remuneration

Percentage on revenue	$ 4,452 00
Night allowance	400 00
Forward allowance	373 00
Box rent commissions	584 00
Commissions on postal note and savings bank business	35 54
	$ 5,844 54

SIMCOE, ONT.

Revenue year ended 31st March 1931

Stamp sales	$ 33,538 42
Money order commissions collected from public	1,182 99
	$ 34,721 41
Box rent collections	1,735 12
Gross revenue	$ 36,456 53

Remuneration

Percentage on revenue	$ 8,344 00
Night allowance	40 00
Forward allowance	29 00
Box rent commissions	867 00
Commissions on Postal Note, Savings Bank and Government Annuities business	79 74
	$ 9,359 74

BAGOTVILLE, P.Q.

Revenue year ended 31st March 1931

Stamp sales	$ 2,739 69
Money order commissions collected from public	385 79
Gross revenue	$ 3,125 48

Remuneration

Percentage on revenue	$ 1,415 00
Night allowance	210 00
Forward allowance	3 00
Rent allowance	175 00
Commissions on Postal Note business	16 85
	$ 1,819 85

Mr. Bowman also asked for two files showing the procedure followed in city post offices in regard to promotion. In one case senior clerks, where we advertised a position without submitting the case to the Civil Service Commission, and one where we submitted it to the Commission and they advertised it.

The CHAIRMAN: Leave them with Mr. Bowman, and then if he wants to he may ask any questions later.

Mr. UNDERWOOD: Then I have the cases asked for by Mr. MacInnis, in regard to the promotion of Bolton to the position of postal clerk, and the promotion of Huff to the position of letter carrier overseer, the promotion of Morrow to the position of assistant postmaster. Also the file in regard to the demotion of Dransfield.

The CHAIRMAN: Turn them over to Mr. MacInnis and he will return them after he has had opportunity of looking at them, and, may be, question you thereon.

Any other questions from Mr. Underwood?

GEORGES GONTHIER, called and sworn.

By the Chairman:

Q. Mr. Gonthier, you are Auditor General of the Dominion of Canada?—A. Yes, sir.

Q. For what length of time have you held that position?—A. Since January, 1924.

The CHAIRMAN: Some members of the Committee, I think, asked that Mr. Gonthier be requested to come here.

By Mr. Bowman:

Q. I was looking over Mr. Gonthier's report to the Committee. Would you tell us generally the relations between your Office and the Civil Service Commission?—A. The relations of my Office with the Civil Service Commission have improved considerably in the last few years. They understand that thoroughly qualified men are required in my Office and of late they are giving the assistance they can. I had a little difficulty to convince them of that, but I must admit that the relations are much more satisfactory. And I am very glad.

Q. What was the difficulty previously?—A. Up to the time I came to the Audit Office, there seemed to have been some difficulty in that Office getting the proper men. The first thing I did when I came to Ottawa, was to ask for a report on the staff by the different branches. We had a staff then of over 200. The results were not very satisfactory.

Q. When was that?—A. That was in 1924. It was a great handicap for the Audit Office, a handicap from which I am still suffering now. We had seven branches, with an average of about 30 clerks, a few over that, making a total, with the headquarters staff, of about 210.

I can give you some extracts from the reports. I am sorry I was only notified at half past five yesterday, and I had to collect these notes hurriedly, I am thus a little handicapped in giving you all my information.

This is one of the reports: "These lists are based on the result of examinations, the names appearing in the order in which they have passed, with the exception, however, that men with overseas service are placed first on the list, so that a man who had served overseas and who had received at the examination only the minimum number of marks required to pass, would rank above one who had taken full marks, but who had had no overseas service.

Again, permanent employees who had been laid off in good standing on account of abolishing offices, with efficiency and fitness for appointment certified by the department, are placed on the list above all other eligibles.

As appointments are made from these lists, according to the order in which the name stands thereon, it by no means follows that the man assigned to a position is the one best qualified for the same. Not infrequently the round peg gets into the square hole, and vice versa.

From the clerks assigned from time to time to this Office by the Commission I have succeeded, after rejecting a number who were altogether unsatisfactory, in forming a staff that may be regarded as satisfactory, but at the same time none of them have so far given evidence of any outstanding ability, such as would ultimately qualify them for the higher positions in the office."

Q. Is that the situation at present?—A. Well at the time, when I took the Office, this was general in all branches. And this is a great handicap. This is to my mind a weakness, because as the older members of the staff step higher, and finally out of the service, there should be juniors well qualified in every respect prepared to fill their places.

Q. What was done to remedy that situation?—A. I introduced reforms. I arranged with the Commission for a modification, not exactly of their system, but of their examination questions. I myself suggested a number of questions. I succeeded in getting a few good men in the higher classes.

Q. That is the suggestions to the Commission came from you?—A. Yes.

Q. Not from the Commission to you?—A. No.

By Mr. MacInnis:

Q. You felt that if you had the setting of the examination you could get a better type of men than would be selected by the examination by the Commission?—A. Yes. I had a representative on the committee, and I offered suggestions of a number of questions, from which they chose a certain number. And these men passed on these questions.

Q. Did the Commission welcome your helpful suggestion?—A. Well, right at that time, yes; for the higher grades they accepted my suggestions.

Now, to give another example; in another section of my Office the appointments that have been made to the Office by the Civil Service Commission have not always been satisfactory, especially in the last seven or eight years. Part of the trouble is that the standards set by the Commission I considered too low. Efforts have been made at times to obtain the privilege of making our own selection from the eligible list, and in this way obtain men who show special qualifications, or who have had certain office experience. The Commission refused to appoint others than those at the head of the eligible list, with the result that we did not always obtain the man with the highest qualifications.

Q. What is the date of that report?—A. This is 1924. I arrived in January, I immediately requested these reports on the staff.

By the Chairman:

Q. That is, if I appreciate the significance of the statement that you have just made, it was your opinion then that the most highly qualified men for the Auditor General's department did not rank highest on the eligible lists submitted to you?—A. No, because as you well know, in the Audit Office men who are qualified to do the work must have some knowledge, a good knowledge, of accounting and auditing. It is not sufficient to have been in a bank, to have kept a ledger, to have been a teller, or a bookkeeper, or assistant to an accountant.

Q. I appreciate that in your Office you would require a very high standard of qualification and efficiency, and that you would require men of real intellectual ability, not merely men who could pass a given test in order to graduate as a chartered accountant, say.

Has your view changed since 1924 in respect of the matter we have just been discussing?—A. No; but there has been an improvement.

Q. Do you still find that you get the men best qualified for the position ranking somewhere on the list, not first, second, third, or fourth choice?—A. I do generally.

Q. Can you tell me if in all cases where you find such a condition, that is that a better qualified man does not rank highest on the list, the reason for that is attributable to the returned soldier preference?—A. Not in every case.

Q. In some cases it is and some it is not?—A. And I must say I refuse absolutely to take a man who is not qualified, who has not had certain experience, especially in the upper grades.

Q. Does that account to a large extent for the number of rejections which you have made?—A. Indeed it does. I think I am perfectly justified in rejecting those who, I believe, are not qualified.

By Mr. Bowman:

Q. That same condition that was there in 1924 is still there, but to a less extent?—A. Still persists, on account of that part of the old staff who came in under those conditions.

Q. And still exists with respect to new appointments? That is you do not now accept the ratings from the Civil Service Commission?—A. Well that is another question. That is the matter of the eligible list.

Q. We are talking about appointments being made to-day. I know from the records that you do not by any means accept the first man on the list. Will you tell us just what you do?—A. I inquire into the qualifications of everyone.

Q. That is you do not accept?—A. No, I communicate with the referee and the employers and I ask for information. Not long ago I had a list of chartered accountants and I accepted one out of a certain number, five or six I think, and that one refused to come and there had to be another list. The men who had passed were not satisfactory to me.

On another occasion there were a few eligibles and I chose one of them whom I thought had the experience and was perfectly qualified. I inquired of his characteristics and found that the man was of such a character that he would mess up matters, he would not be working in harmony with the rest of the staff, or he would cause trouble for the Office, because he had caused trouble with clients of the firms with whom he had been. He was not recommended on that account. If I had taken the report of the Commission on the examination, I should have had to accept him, that is the danger of qualifying only under an examination. You have got to go back of the examination.

Q. Then to sum the matter up briefly, you exercise your own judgment on the eligible list that is handed to you by the Commission and do not necessarily select them in the order they are placed by the Commission?—A. Yes.

By Mr. Chevrier:

Q. Has it ever happened that you have had to employ an accountant or an officer who was not on the list? By that I mean, does it ever happen that you have had to exhaust the list and then not find one competent?—A. Yes, I just cited a case.

Q. If I understand, there was nobody to your satisfaction on the list, and you went outside of the list to secure the man?—A. No I did not go outside of the list.

Q. Under no conditions did you employ anyone that had not gone through the civil service examination?—A. No.

Mr. Bowman: But you have rejected the whole list and asked for another examination?—A. Yes, I did just once. I think that is mentioned in the answer to the questionnaire.

By Mr. Chevrier:

Q. In that case why did not the men who competed the second time compete in the first place?—A. It is a matter of publicity, and the accident of whether or not men see the advertisement.

Q. If there is a poor eligible list it may be because the people interested, the better ones, did not compete?—A. A good many men who have been practicing for a number of years will not submit to an examination by the Civil Service Commisison.

Q. And one reason is that when the position is advertised the range of salary is also given and they may not be interested in that salary?—A. That is one of the great obstacles nowadays to getting properly qualified men.

By Mr. MacInnis:

Q. The conditions you complain of in 1924—they have improved you say through co-operation between yourself and the Civil Service Commission—that is attributable not so much to the Commission, as to your predecessor in office?—A. Not necessarily, because I find that the Civil Service Commission refused to let the Audit Office choose.

Q. But if the proper approach was made, such as you made, they would have agreed?—A. I came into the service under particular conditions.

The Chairman: Probably Mr. Gonthier is a gentleman who insists on asserting his will in the efficiency of his department?

By Mr. Bowman:

Q. But the point is, Mr. Gonthier, you do go over the Civil Service list, and you do not accept the men rated by the Commission in the order of rating?—A. Yes. A draft list is made and in addition the applicant has to pass an examination or an oral test or both.

Q. That is, a further examination or enquiry by yourself?—A. Yes, I insist that I see the man, investigate his case, and I even do so in certain of the lower—not the lowest grades, but middle grades. It is a well known fact—

Mr. MacInnis: This point is important, I would like to have a little more light on it.—A. I am going to give you some more light. May I tell you what is being done in the United States?

Mr. Bowman: Well we do not want to interrupt, but perhaps if we just dealt with matters that are in your own Office, we might not get astray.—A. I just wanted to give you an idea of what is the practice elsewhere, because I have been working under such a handicap that it has been nerve-wracking. I was in the business 30 years before coming here, I knew how to handle a staff, how to choose them. I was very anxious to give a good account of myself. But when you require an axe and you are given a hammer, you cannot accomplish much.

By Mr. MacInnis:

Q. The point I wish to clear up is, when there is a position vacant in your department, you notify the Civil Service Commission?—A. I do.

Q. Then they advertise and hold an examination for that vacancy, and after the examination is held and a rating is made there is an assignment made to your department?—A. The assignment is not made until I have gone through the list of eligibles, and I choose the man who I think is best qualified.

By the Chairman:

Q. There was a day when the assignments were made, but that day is passed?—A. Yes, the day when the assignments were made and the first man on the eligible list, whether he knew how to handle a pen or not, had to be admitted into the Office is passed.

By Mr. MacInnis:

Q. The point I wish to make now is that as far as I can understand, for all other departments with the exception of yours, the assignment is made, and if the assignment is not suitable he is rejected by the department after it is made, and the vacancy referred back to the Commission. But you insist on going over the ratings and showing the Civil Service Commission the particular applicant which you think would best fill the position?—A. Because on that list, in the lower grades for instance, there may not be any accountants, or anyone who has had sufficient experience in accounts, to understand the elements of the work in my Office. Of course in the very lowest grades we choose young men who have passed through a university or collegiate and have taken courses in commerce, we have to have a number of these to begin at the bottom of the ladder, to be trained. But since I have been here I have tried to strengthen the upper grades, and among these lower grades I have tried to choose men who had at least some knowledge of bookkeeping.

By the Chairman:

Q. And some possibilities for doing better work with experience?—A. Yes. For instance last year, by agreement with the Civil Service Commission, and the Finance department, I had two young graduates of universities.

My Mr. MacInnis:

Q. In making your selections not only would ability be taken into consideration, but, to a very large extent, character?—A. Character was given considerable attention. And good judgment.

Mr. BOWMAN: Just to quote from the report filed with the Committee.

The CHAIRMAN: Of what year?

Mr. BOWMAN: This year.

By Mr. Bowman:

Q. In the report filed with this Committee it is stated, Mr. Gonthier, that even in the case of the lower grades, candidates were not accepted according to their standing on the Civil Service eligible list; it that correct?—A. Absolutely correct.

Q. That is, you make a review yourself, as you have stated?—A. Yes, and I must add that the Commission admits my contention that even the young men should have some knowledge of accountancy.

Q. And you also follow another precautionary measure in that you do not put the employees at first on the permanent list, but on the temporary list for six months?—A. Generally, excepting in cases where I am absolutely sure.

Q. That is a secondary precaution which you take?—A. Yes.

Q. And you gave some further illustration with respect to particular parties. In one case you referred to one S. V. Roberts, and in another case you say that "the selection of any candidate from that list was not made until the Auditor General had an opportunity when on his visit to the west in August to personally meet some of the candidates"?—A. I met a number of them in Toronto, Winnipeg, Regina, Edmonton, Calgary and Vancouver, where I met Mr. Roberts.

Q. And in another case, that of Mr. J. D. A. Macfie, you say: "A requisition was submitted August 15, 1929, and the Commission replied there was an eligible list for this position and submitted the names, and the Auditor General rejected all candidates except one who declined the appointment, and a competition to establish another eligible list was requested. This competition was advertised and held and a list established in February, 1930. Macfie was first on this list and was assigned on February 17, and reported on March 10, as soon as he was released from his previous position." The point I wish to make in that connection is that the eligible list that you had received from the Commission was in that case of no value?—A. In the first case?

Q. The case of Macfie. You requested them to re-advertise?—A. Macfie was on the second list.

Q. On the second list, yes?—A. I knew Macfie at the time. He had been recommended to me by a chartered accountant who was a member of the Board of Audit, Mr. Thompson, who was a friend of mine, and the local partner of Peat, Marwick, Mitchell and Company with which firm I was connected to a certain extent at that time.

Then, you have another case of Rodriguez; "A requisition submitted in August 15, 1929. Correspondence followed respecting candidates on existing eligible list. The Auditor General rejected all of those except one who declined the appointment." So that you again exercised your discretion?—A. I think it is the same list that you mentioned.

Q. Is that the list containing Macfie and Rodriguez?—A. It is the same list. Rodriguez was on the second list.

The CHAIRMAN: It was to fill the competition, but there were two lists. In the first one he rejected and in the second he accepted one.

The WITNESS: Yes. I accepted one from the second one.

By Mr. Chevrier:

Q. The eligible list can only be made up of those who have competed?—A. Oh, yes.

Q. And if people who were not worthy of the position are the only ones that compete then, of course, they have all got to be rejected.

Mr. BOWMAN: Yes, but there is a point further than that. That does not go quite far enough. The Commission submitted a list which they considered to be fit to fill the position.

Mr. CHEVRIER: The list is made up from a number of those who have competed and who stand the examination.

Mr. BOWMAN: And passed the examination.

Mr. CHEVRIER: Surely, and the standard of those who competed must have been relatively low because of the salary that was paid for the position.

The CHAIRMAN: Surely, the point between you two gentlemen at the moment is this that for some reason or other, which is not material, the Commission submitted a list of men whom they considered qualified in order of merit to serve in the position on the staff of the Auditor General, and the Auditor General rejected them all and said that none of them was qualified.

Mr. CHEVRIER: Quite so.

The WITNESS: Of course, there is the quality of the candidates who offer themselves.

The CHAIRMAN: Quite so. I am not questioning the matter of worth; I am dealing with the facts.

By Mr. Chevrier:

Q. My only point is that an eligible list can only be made out of those who have competed, and if the quality of those who compete is poor, well, there you are?—A. I might say for your information that on the first competition Mr. S. V. Roberts took part and also Mr. Hopkinson who were appointed audit accountants. Well, the salary was reasonably large—it was a higher salary, and I was able to approve of two very good men who are still with me and doing excellent work.

By Mr. Bowman:

Q. Have you another case of S. L. Conroy? This is referring to the reasons for delay, and your comment is:

> The delay in this case was due to the Civil Service Commission's objection that Mr. Conroy was not the first candidate on their eligible list. Reasons were given on December 12th why the candidates ahead of him were not accepted, but he was not assigned until more than a week afterwards.

Here was another case where the man chosen for the position did not happen to rank the highest on the list as furnished you by the Commission?—A. I really do not remember the case.

Q. If those are the comments, I presume those are the facts?—A. Yes.

Q. And you go on further in the statement and you make this comment:

> It is estimated that in a large proportion of the assignments, other than for election purposes, the candidates selected and assigned were not at the top of the list.

Is that true?—A. Yes. I may add that it was with the consent of the Civil Service Commission that they were chosen.

Q. Quite true.

> In respect of the higher positions where special competitions were held with or without written examinations, in order to select men with professional qualifications in the line of accounting and auditing, in practically all cases no candidate was accepted until after an interview with the Auditor General personally following a review by a chartered accountant in this office as to their qualifications, the nature of their experience and their personal characteristics?

A. Yes.

Q. Might I continue:

> And when it was considered that a candidate was not acceptable, either because of age or lack of satisfactory experience in positions of responsibility or for some personal reasons disclosed as a result of information received from former employers, the Commission were informed of his not being acceptable and another candidate was appointed in his stead from the established list or a new competition was called for.

A. Yes.

Q. And might I continue:

> It is also considered highly desirable owing to the fact that very special qualifications are required for the personnel of the Auditor General's office that not only should special competitions be advertised for the higher grade positions, but for the lower ones as well?

A. Yes, graded with care.

Q. And may I quote further from your report:

> In nearly all cases the assignments were made first on a temporary basis, an opportunity being so afforded the chief examiners of branches of ascertaining the qualifications and estimating the value of the clerk, who if he proved entirely satisfactory and gave promise of ability to assume increased responsibilities in the future was recommended for permanency; if not, his period of temporary employment was not extended after it was evident that he would not be satisfactory?

A. That has been the practice.

Q. Summing the whole situation up, inasfar as your Office is concerned, you really exercise, let us say, the final say?—A. I do; but always with the consent of the Civil Service Commission.

Q. Quite so?—A. Who examine the facts.

Q. And do the Civil Service Commission accept your finding?—A. They do.

Q. Have they ever defused to accept your final decision?—A. Well, they may have some years ago.

Q. Not of late years?—A. No.

Q. As a matter of fact, I presume I would be safe in saying that the Civil Service Commission and your department co-operate pretty well?—A. Well, of course, in cases where the law or the regulations will not permit certain latitude where there should be—

Q. —where you think there should be greater elasticity?—A. —greater elasticity in the law or regulations or in the means to be taken by the Commission to satisfy the requirements of the service.

Q. You have found it necessary, I would judge by your remarks, to re-organize to a considerable extent the Audit Office since you have taken control?—A. Oh, yes.

Q. And in that re-organization, did the Civil Service Commission take any initiative steps or did the initiative come from you?—A. No, when I made requests the Civil Service Commission came and made inquiries of me or of my assistant chief executive who was in charge of the staff.

Q. And the result was that they adopted your suggestions, or did they not? —A. Generally. Sometimes I had to fight for a few weeks and even months in order to get my point.

The CHAIRMAN: You seem to be a doughty fighter; you usually get your way.

The WITNESS: Well, it is reasonable. I am only asking for what is reasonable. I never ask for anything else.

The CHAIRMAN: The Auditor General is a sort of benevolent autocrat in a democracy.

The WITNESS: I have to fulfil my duties and they are very onerous.

The CHAIRMAN: I realize that.

By Mr. MacInnis:

Q. We have, of course, a very high opinion of your important office and your only idea is to perform your duties in the best interests of the country. But supposing there was one who was just as insistent upon having his own way

as you are upon having your own in that connection and who would not have the welfare of the country so much at heart, the Civil Service might get into great difficulties by acceding to his request for a freer hand?—A. That is quite true; but, of course, the Civil Service Commission exercise their own judgment in the matter; and then, you understand, that what I want is what I should have.

The CHAIRMAN: There you have an irresistable force meeting an immoveable body with the Civil Service in between.

Mr. CHEVRIER: Of course, we have to come back to the point that Mr. Gonthier says he always asks what is reasonable.

The WITNESS: Well, in view of what I have to accomplish.

By the Chairman:

Q. There is one thing that puzzles me, Mr. Gonthier, in connection with this situation of the rejection of an eligible list. I understand that for these positions, for example, a representative of your department serves on the examining board at the request of the Civil Service Commission. Does that represent their report to you in respect of these selections and the ratings for the eligible list, that he has been over-ruled in his views?—A. Of course, he takes my instructions and directions and he applies them to the best of his judgment and according to the circumstances and the conditions under which he is working.

Q. But what about this eligible list when it comes before you. Take the one where you rejected it completely; this eligible list that came before you was the aggregate view of the Board of Examiners on which your representative was one of three?—A. Yes, but that eligible list is always made up on the ratings of the applications.

Q. Oh, yes; and you have not a representative on the Ratings Board?—A. I have, but he is rating these men, like the other members of the committee, on the facts given in the applications in some cases and also in other cases after an examination or an oral test.

Q. I see your point. He has no means of getting further information?—A. That does not tell me the moral or mental value of this man, his intellectual aptitude or the nature of his experience. He may have been an auditor, he may have been auditing some corner grocery store. Well, I have no use for that man, and that would be the man who would like to come into the Civil Service.

Q. As we found from our experience in connection with one case we went into rather carefully, the Rating Boards are rating the man on his own estimate of his own ability as set forth in his own application?—A. Absolutely.

By Mr. Bowman:

Q. That is the only material which is before the Board?—A. That is the only material before the Commission. That is the reason why I have to be so careful in going back of the facts given in these applications, and I have to be careful even with the referees.

By Mr. Chevrier:

Q. In other words, your representative, just as the representative of the Commission, must judge upon what is disclosed in the application form in which the applicant may have boosted himself?—A. Absolutely.

Q. But the Commission's representative and your representative must judge upon the evidence as it is submitted there. So you say it is sometimes not sufficient for your purpose. That is quite all right?—A. May I add a suggestion with regard to the lower grades in my Office. I consider that the eligible lists that are prepared for the whole service do not apply to my Office; the men who come into my Office should have to answer questions relating to my activities, even in the lowest grades.

By the Chairman:

Q. In other words, you think there should be a special eligible list made up, having regard to the requirements of the Auditor General's office?—A. Absolutely.

By Mr. MacInnis:

Q. Is there any reason why you yourself and the Civil Service Commission officers could not get together and draw up the necessary examination?—A. No. There are no such classes, you see; the classification would have to be accepted.

By Mr. Ernst:

Q. In other words, you want a higher classification or a separate grading?—A. If I might give an example: In a chartered accountant's office there is the chartered accountant, of course, who is the head, there are his seniors who are generally chartered accountants, then there are the auditors, semi-seniors you might call them, and then the juniors, and they are all accountants.

Q. I thought you were talking about the lower grades, the stenographers and so on?—A. The lower grades would be junior accountants and auditors.

By Mr. Bowman:

Q. According to the provisions of the Act that is entirely in the hands of the Civil Service Commission?—A. Yes, in the hands of the Civil Service Commission.

By the Chairman:

Q. There is no reason why they cannot set a special examination and give you a special eligible list for your department?—A. I am going to ask for it.

By Mr. Chevrier:

Q. I think that request is particularly reasonable, but is there anything in the present regulations?—A. It is a new classification.

Mr. BLAND: Might I say that that is in effect now. If the Auditor General requires special classification for all these types they are supplied to him at his request.

The CHAIRMAN: You make out now a special eligible list of men specially qualified for audit work as distinguished from ordinary accountants?

Mr. BLAND: That is particularly true of the higher positions. I think the Auditor General is referring to the lower grade, and in those cases he has been given the opportunity by the Commission of taking from the eligible list those who have the special qualifications which he deems necessary.

The WITNESS: Yes. The difference between Mr. Bland and myself is that the questions—the examinations—of those lower grades do not contain the questions that I would put to them myself.

Mr. ERNST: I suggest that when you get the requirements you meet Mr. Bland and Mr. Putman and give them a lecture.

Mr. BLAND: Mr. Chairman, we will be very glad to co-operate with the Auditor General in getting the questions he wants into the examination.

The WITNESS: I just wanted to mention that, Mr. Bland.

The CHAIRMAN: This Committee has the most benign influence in bringing about co-operation. Really, I have been surprised at our persuasive ability. There is no personal application in that remark, Mr. Bland.

Mr. BLAND: We are glad to admit that.

Mr. CHEVRIER: How long will it last?

The WITNESS: Well, it is sincere upon my part.

The CHAIRMAN: I appreciate that. Those of us who have had experience in commercial life realize that you require a different type of accountant to do audit work from the type of man who might make a very excellent accountant in a Department. One man keeps books and another type of man checks them.

The WITNESS: Absolutely; and out of 100 accountants you perhaps get five, or a few more, fairly good auditors. So it is not always the qualification to be a book-keeper or even an accountant that makes an auditor.

The CHAIRMAN: No. We appreciate that.

The Committee adjourned to meet Thursday, April 15th at 11 o'clock.

HOUSE OF COMMONS,

APRIL 14, 1932.

The Select Standing Committee to inquire into appointments to and the control and direction of the Civil Service of Canada and, generally the administration and operation of the Civil Service Act, met this day at 11 o'clock a.m., Mr. Lawson presiding.

Dr. ARTHUR BEAUCHESNE, recalled.

The CHAIRMAN: Dr. Beauchesne, who gave evidence yesterday, has another problem which confronts him by reason of the peculiar situation in which the House of Commons differs from the Service generally and I asked him to come back and give us an illustration of what he had in mind as to his difficulty?

The WITNESS: I want to bring to the attention of the committee the case of an assistant parliamentary reporter, that is, a stenographer, appointed to report the evidence in committees. On the 20th January, 1930, there was a requisition to the Civil Service Commission to make the appointment. The appointment was made. On the 20th February, 1930 Frederick Gordon Perry was appointed. He came here to perform his duties and when he arrived he was under severe nervous strain. He came to perform his duties during the session. The Editor of Debates reported to me that he had given him an opportunity on the floor of the House of Commons and also before the committees in the reporting line and by the end of the session of 1930 he decided the man could not do the work. The session was prorogued. The great difficulty with us, and this shows the difference between the House of Commons and the departments, is that we cannot put a stenographer under probation when the House is not sitting. When the House prorogued this gentleman went back home and the next session he did not came back. It was impossible for him to do his work on account of ill health. Then I reported to the Civil Service Commission that the man's six months' probation had expired. The Civil Service Commission replied that the six months having expired the man was appointed. He was a regular permanent employee and the secretary of the Civil Service Commission said that he could only be dismissed under the terms of the Civil Service Act which, of course, was wrong. The man could be dismissed under the House of Commons Act. That was done. I reported the case to Mr. Speaker Black. The Speaker agreed to let Mr. Perry out entirely. In the meantime, Perry, from the date of his appointment, February, 1930, to the date of his dismissal, March, 1931, was paid by the House of Commons $2,531.08. There was the parallel: the case of Thomas Little: appointed February 5, 1925 at $2,040 per annum. When he arrived here he was a total nervous wreck. He resigned towards the end of February, 1926, owing to continued nervous trouble; salary received—$2,076.42. He did not do a stroke of work. We might as well have taken all that money and thrown it in the river. The man did not work at all but he was paid. These cases show the defective system applied to the House of Commons.

The CHAIRMAN: Thank you, Dr. Beauchesne. Are there any questions?

By Mr. Bowman:

Q. Did you hear the Auditor General give his evidence? Have you had an opportunity of reading it?—A. No, I just saw a short report in the newspapers last night.

Q. It was quite clear, in that department, where they have auditors mostly, that he practically chooses his own men?—A. Yes. I noticed in the newspaper report, he practically chooses his own men.

Q. That is not quite true. Practically is not right? He does actually.—A. Where does the Civil Service Commission come in?

Q. He submitted the applications to the Commission for formal approval but that is all it amounted to.

By Mr. Ernst:

Q. The Commission would advertise and get applicants. He would take the applicant he wanted, no matter where he was on the list?—A. I do not think I could do that. I think that would be against the law.

Q. He would reject the others.

The CHAIRMAN: His veto power was exercised to some extent.

Mr. ERNST: The Auditor General thought it was right, since the Commission agreed with him.

The CHAIRMAN: He said he was not strong for it once but now it was all right.

The WITNESS: I have no objection to the Civil Service Act, if it is not put in operation, if I have the choice of every employee required in the House of Commons.

By Mr. Bowman:

Q. Glancing over your evidence again, in the matter of reclassification, were you principally concerned by the Commission's finding, owing to the fact that increases in salaries had not been granted in all cases?—A. No, no. My principal concern was that the classification was not uniform. There was no system to it.

Q. I thought that was your intention. I would just like to get it properly on the record?

By the Chairman:

Q. I think you have covered the matter before the Committee with respect to the staff of the House of Commons. You have a staff which is different from that in other departments. Therefore an Act that might apply to some departments is wholly inadequate to meet your particular problem?—A. Yes, that is one of my contentions. Another one is that the House of Commons should be independent from a body which is appointed under the control of the Governor in Council and you should have here all the convenience and facilities to appoint your staff. We work for you, for the members of the House. Both parties are represented here, the opposition and the government. You could have a Committee to look after the internal economy of the House the same as the Senate have and make your appointments of the staff to work under you. It is very much easier for you to control them.

The CHAIRMAN: I again thank you, Doctor. We will now deal with the matter of the appointment of a postmaster at St. Arsene, Quebec.

Mr. BLAND: Regarding this difficulty, concerning parliamentary reporters, the root of the trouble is the fact that, for the salary offered, it is almost impossible to get a competent reporter for the kind of work that is required in the House of Commons. The gentlemen to whom Dr. Beauchesne made reference were selected after an examination in which the Chief of the debates staff of the House of Commons was one of the examining officers, and the men appointed were the best available at the salary offered. They came here under those conditions; their nervous condition was such that they could not carry on, and they

could be released at any time they were not found satisfactory, but the only solution, in the minds of the Commission, regarding the matter that Dr. Beauchesne brings forward is a raise in salaries for parliamentary reporters. Under present conditions, it is almost impossible to get men qualified for that position for the salaries offered.

The CHAIRMAN: Suppose you appoint the best man in the country and he suffers a breakdown to-morrow and there is no opportunity to test him during the session or the recess and the Civil Service Commission appoints him after the six months, therefore he is permanent.

Mr. BLAND: If it is so desired, his period of probation can be extended for another six months.

The CHAIRMAN: Apparently it was not done in this case.

Mr. BLAND: It could have been.

The WITNESS: Do you not think that is a position the Commission might leave very well to the House?

Mr. BLAND: I might say all the men who have been secured have given very satisfactory service but in the last few years it has become increasingly difficult to get good men for that salary.

The CHAIRMAN: Dr. Beauchesne was not suggesting any personal condemnation of the Commission in that regard.

Mr. BLAND: It was simply in the hope of explaining to the Committee what the problem really was that I make these remarks.

Dr. W. J. ROCHE, recalled.

By the Chairman:

Q. Would you get the files in connection with the postmaster at St. Arsène? I think if you would turn to the back of the file we will make more rapid progress; that is the earlier date. I started at the back and worked up to the top, because that is the method by which you file in the Civil Service Commission. St. Arsène, I believe, is a village, or town, in the Province of Quebec?—A. Yes.

Q. Have you any idea as to the size or population of the place?—A. No, I have not.

Q. Can you tell me what electoral constituency it is in?—A. I see here it is in Temiscouata.

Q. According to the records you have before you, I believe that in 1926 there was a vacancy for the postmastership at St. Arsène, owing to the death of the then postmaster, Joseph Roy?—A. Yes.

Q. And his widow was immediately placed temporarily in charge of the post office?—A. Yes.

Q. From the file I judge that vacancy was advertised, with applications to be received up to August 21, 1926?—A. Yes.

Q. Have you the file in that case?

By Mr. Bowman:

Q. Who was the advertisement by? The department or the Commission? —A. By the department but at that time there was a period when the Commission was doing the advertising, but the procedure was changed.

By the Chairman:

Q. I see by the file that it looks as though it was done under the authority of the Commission?—A. Yes, it was done under the authority of the Commission.

Q. I think the file next discloses, between August 21, 1926, when these applications were to be filed, and January 28, 1927, a period of approximately six months, eight letters are written by the secretary of the Civil Service Commission to the Post Office department, all requesting a report of the district superintendent which apparently the Commission up to that time was unable to obtain?—A. Yes. That is what occurred.

Q. Then I believe that before the report was received by the Civil Service Commission on January 28, 1927, the then Postmaster General, Honourable Mr. Veniot, wrote a letter recommending the appointment of Mrs. Roy?—A. Yes.

Q. Would you read to the Committee, please, the letter from the then Postmaster General of January 28, 1927?—A. There were two letters, I understand. I have a letter here dated August 31, 1927, from Mr. Veniot.

Q. There is one prior to that, January 28th?—A. No, there is one March 23, 1927. January 28th, you say?

Q. Yes. These files run from back to front?—A. Here is one March 14th.

Q. Get January 28th?—A. Another on February 7th. January 28th, yes.

OTTAWA, Jan. 28th, 1927.

To the Civil Service Commission,
Ottawa.

SIRS,—In the matter of the vacancy of the St-Arsène Post Office, I beg to call your attention to the fact that Mrs. A. C. Roy, who is rated first in order of merit from a Post Office standpoint, is the wife of the late Postmaster, who met an untimely death. If she gets this appointment, it will bring about a situation which will cause a great deal of trouble, owing to irregularities and other misconduct in connection with this office while held by her husband and attended to by her as assistant. I am in receipt of request for investigation of her past record should she be appointed permanently. I feel it my duty to notify you of these facts before reaching your decision.

As the other two applicants appear to have equal ratings, may I suggest that E. Rioux would seem to meet the wishes of the people there, according to recommendations received.

Yours very truly,
P. J. VENIOT.

Q. You will observe in the last paragraph of the letter the then Postmaster General refers to the other two applicants as having equal rating?—A. Yes.

Q. It would appear from your file that the Civil Service Commission at that date had not received any report from the district superintendent of the Post Office department as to what his ratings were or were not in respect to the candidates?—A. Yes, it would appear so.

Q. Then I observe there is on the file a report from the district superintendent, which is dated September 14, 1926, some four months before the then Postmaster General wrote that letter to the Commission. Is there anything to indicate, Doctor, when that report of the district superintendent was forwarded by the Post Office department to the Civil Service Commission?—A. It ought to be stamped at the date received.

Q. I think there is a covering letter?—A. Yes, February 4, 1927.

Q. So that at the date when Mr. Veniot wrote to the Commission, suggesting Rioux' appointment and that the applicants had equal ratings, that report was not in the possession of the Commission?—A. No.

Q. Then would you look at the report dated 14th September. Would you just tell me as a matter of fact if Mr. Rioux and the other applicants had the same rating?—A. Well, candidates ranked in order of merit, first, Mrs. Roy, Jean Baptiste Laforest, Edmond Rioux.

Q. So that according to the report of the district superintendent for the Post Office department, Rioux, who was being favoured for the appointment was the third for rating?—A. In order of merit, yes.

Q. Then, Doctor, would you look further at the report of the district superintendent of the Post Office department, and does that report not set up that if Laforest were appointed postmaster there would be a decrease in the postal mail service cost of $91.42.

Would you point out also if Rioux, the third choice, were made postmaster, that it would cost $60.95 more for postal mail service?—A. Yes.

Q. Then the superintendent's report, I believe, also says as follows:

> If he is appointed the post office will be kept in his store, which location is not as central as the other candidates?

—A. Yes.

Q. Then, Doctor, there is also on the district superintendent's report a diagram of the village in question, showing the location of certain buildings, such as the Roman Catholic church, the public hall of the village, the school, the bank, the site of Laforest, the site where the post office had been, that is, the Roy site, also the site which was proposed by Rioux?—A. Yes.

Q. Would you look at this little diagram which I have made and pasted on cardboard and tell me if that is a fair facsimile of the diagram on the report of the district superintendent, although I might say to you that my diagram was taken from a later diagram?—A. Yes, I think it has been. It includes some places of business but shows the proper locations of the three sites.

Q. It shows the proper locations of the three sites which were under consideration for the post office?—A. Yes, and looking over the chart I have before me, the site of Mrs. Roy, being at four crossroads, was the more central, and Laforest's site was south of that, while at almost an equal distance from that site was Rioux'.

By Mr. Bowman:

Q. In the old site where the post office had been for a number of years? —A. Yes.

By the Chairman:

Q. Well then, Dr. Roche, the department, or the then Postmaster General, whichever one you please, appointed Rioux temporarily on October 29, 1927, the Civil Service Commission not having up to that time functioned with respect to the appointment?—A. Yes.

Q. Then I would also like you to tell me from the report of the district superintendent if he did not set out that on September 14, 1926, neither Laforest, who was second in order of merit, nor Rioux, who was third in order of merit, had had any previous post office experience?—A. Neither one of them.

Q. There is on the file, I believe, a memorandum which is not signed but which is apparently identified by a covering letter from the then Postmaster General in which detail is set out of the complaints against the previous postmaster, Roy, and reasons why the widow should not be appointed, she being the first choice in the order of merit?—A. Yes.

Q. Have you that letter before you?—A. What date would it be?

Q. There is a letter on file, Dr. Roche, from the then Postmaster General, Mr. Veniot, dated March 14, 1927?—A. Yes.

Q. And that letter purports to enclose a letter, a copy of which enclosure is on the file, and which deals with objections to the appointment of Mrs. Roy, the widow of the former postmaster?—A. Yes.

Q. Will you look at the paragraph down near the foot of the first page of the enclosed letter and tell me if what I read is a correct quotation from that letter, that is, the writer of this enclosure, in writing to the then Postmaster General, said:

> With my excellent friend, Mr. Jean François Pouliot, member of Parliament for this county, I have recommended to yourself and to Mr. J. Emile Tremblay, a member of the Civil Service Commission, the immediate nomination of Mr. Ed. Rioux as acting postmaster.

—A. Yes.

Q. I did not bother to finish the quotation. Then the letter continues:

> Mr. Pouliot has acquainted me with the correspondence exchanged between yourself and him and I was glad to see that you had given orders in your letter of the 14th instant that Mrs. J. W. Roy, acting postmistress, was to be immediately relieved of her duties and replaced by Mr. Ed. Rioux.

—A. Yes.

Q. I think, Dr. Roche, you will agree with me that in justice to the writer of that letter there was real good reason apparently why Mrs. Roy, the first choice in order of merit should not be appointed?—A. It would appear so.

Q. I think I already pointed out that Rioux was appointed to the department temporarily?—A. On November 11, 1926.

Q. Then I would ask you to look at the letter of October 4, 1927, from Mr. Coolican, assistant Deputy Postmaster General, to the secretary of the Commission?—A. October?

Q. October 4, sir, 1927. Immediately before that is a letter dated March 14, 1927, from the then Postmaster General to the Commission with an enclosure? —A. Yes, I have that.

Q. October 4, 1927?—A. Yes.

Q. I have not the quotation from it here, Dr. Roche, but does this letter point out to the Commission that as Rioux has been acting postmaster since the 11th November, 1926, and as no complaint has been received against his management a certificate should be issued by the Commission confirming him in that position?—A. Yes, with the additional declaration here that it is noted also that there is " very little to choose between the different candidates and under the circumstances, considering the satisfactory action of the acting postmaster that the interest of the Service would be well served if he were confirmed in his position."

Q. I see in that file a memorandum, which I presume to be a minute of the Civil Service Commission, dated September 8, 1927, in which apparently this appointment was considered by the Commission. According to that minute it appears that Mr. MacTavish and Mr. Tremblay—I do not know whether I use the correct word when I say voted to approve the appointment of Rioux and you dissented?—A. Yes.

Q. Would you mind reading to the Committee the reason you endorsed on that memorandum as to why you were opposed to that appointment?—A. "As Laforest has been placed second in order of merit and his site reported more central than Rioux', the former costing the department less at present and the latter costing more, his education and experience being, to say the least, equally good with Rioux, I am in favour of Laforest's appointment."

Q. Without any record of the opinion or reasons given either by Dr. MacTavish or Mr. Tremblay as to why they appointed Rioux, in view of your dissenting?—A. I do not see anything on the file except just their decision in favour of Mr. Rioux.

Q. Then I believe, Doctor, as a matter of fact a certificate was issued by the Civil Service Commission on October 29, 1927, appointing Rioux, the third in order of merit, instead of Laforest, the second in order of merit?—A. Yes.

Q. Now, would I be making a fair summary, Doctor, if I said that apparently the reason for your dissenting to that decision, at that time, was that you felt the appointment of Rioux was an abuse of the merit system?—A. Well, I would explain it in these words.

By Mr. Bowman:

Q. In the words that are written on your minute, I suppose?—A. I do not know that you might express it in one word. I would say it was an honest difference of opinion as to the merits of the respective applicants and I justified my decision by this notation I have just read. Probably my colleagues can justify their opinion just as strongly, although there is nothing on the file so to indicate.

By Mr. Laurin:

Q. But they never mention any reason why they disagree with you?—A. Very frequently, yes.

Q. How is it they did not give any reason here?—A. I am afraid you will have to ask the other two Commissioners.

By Mr. Ernst:

Q. Is it customary, with a Commissioner, for a dissenting reason to be given or are the majority reasons given?—A. As a rule I practically always, when I am dissenting, give reasons for it.

Q. But if someone dissents from you and you are giving the majority decision, do you put your majority reasons down?—A. If the dissenting party—

Q. Suppose a file comes to you and you hold one way—let us say the file comes to you last, Dr. MacTavish finds one way and Mr. Tremblay the other way, do you give the majority reason?—A. Very frequently, yes.

Q. I suppose it depends who got the file last in that instance?—A. Not necessarily. Oftentimes, if there is no reason given, it is because the majority have approved the report of the Examination Branch without reciting reasons for that approval.

By Mr. Bowman:

Q. In this particular case was there a mutual consultation before the final decision was arrived at. I should not say mutual—a general consultation among the Commissioners?—A. I cannot recollect as to whether this particular case came up at a formal board meeting. It frequently happens, when there is a doubt in the mind of any one of the three Commissioners, that we have a board meeting where we discuss the case *pro* and *con* but I cannot say, in this particular case, from recollection.

Q. Would you say, in the ordinary course of events, such a case would come up for consultation. You point out one or two rather important things, first of all I think the matter of cost; then you point out the fact that Laforest is the second on the list, that their educational attainments are about the same and to put it very mildly, I think you said on an equal basis, do you not think that should be a case where there should be consultation—and probably was consultation?—A. Well, I would not say there was consultation between the three Commissioners. I do not know what may have happened as between my two colleagues, but this report from the examination branch you will notice did not make a recommendation in favour of the appointment of any one of the applicants. The facts were submitted to the Commissioners, as it states here, for consideration by the Civil Service Commissioners, without any recommendation.

Q. Just take the facts, as they have been presented to the Commission up to date, it would appear that the logical appointment would be in the order named, except as the Chairman pointed out, there was some reason why Mrs. Roy should not be appointed but, failing her, it does appear there is some reason that has not already been disclosed, that Laforest was the man who was entitled to it on merit and fitted for it, and you went to the trouble of so endorsing the memorandum to which you have referred?—A. Yes.

By Mr. Ernst:

Q. You still think so?—A. Yes. I have not any reason to change my mind in regard to my first decision.

By Mr. Bowman:

Q. Would that not be a case where there should be consultation among the Commissioners?—A. There are very very many cases on which we have consultation. It would be possible it would have been advisable here.

Q. Possible on the facts?—A. I really could not say. I do not recollect.

Q. You do say in cases such as this, consultation does take place?—A. Very often.

Q. As far as you are prepared to go, you do not recollect whether consultation did take place or not?—A. No, I do not.

Q. Now, I suppose, in the ordinary case, all things being equal, or unless there were some outstanding features such as you have presented in this memorandum, that the appointment would go through without any special comment, or any special memorandum, being made?—A. Yes, we have so many cases to pass upon, that in order not to hold up, or delay, appointments we pass the file from one to the other. It is only in unusual cases that actual written memoranda of any kind are placed on the file.

Q. I can appreciate that.

By the Chairman:

Q. The next milestone I would like to deal with in connection with this file is the year 1931?—A. Yes.

Q. In 1931 the Post Office department, or the then Postmaster General, transferred this post office from Rioux' location, on the 10th September, I think 1931, to J. B. Laforest, the man who had ranked second in order of merit and ahead of Rioux in 1926?—A. Yes.

Q. Am I correct in the date that that was done? The 10th September, 1931, when the Postmaster General or the Post Office Department or whatever official does it ordered and had transferred the post office?—A. Yes, that is correct, the 10th September.

Q. The 10th September, 1931?—A. Yes.

Q. Then the vacancy for postmaster in the little village of St. Arsène was again advertised?—A. Yes.

Q. Applications to be in by December 30th, 1931?—A. Yes.

Q. And a report from the district superintendant, with a diagram of the location, of buildings, etc. in the village was made on the 19th January, 1932?—A. Yes.

Q. And according to that a rating was given by the district superintendent of the Post Office department to Laforest and to Rioux?—A. Two applications were received. Laforest rated first in order of merit, from the postal service standpoint.

By Mr. Laurin:

Q. What was his rating?

The CHAIRMAN: Ninety per cent. It shows right on it there.

Mr. LAURIN: Rioux, 85 per cent, second?

The CHAIRMAN: Yes.

By the Chairman:

Q. Then I see that on the 5th of February, 1932, there is a memorandum to the Civil Service Commission, apparently from Mr. Bland. Have you that memorandum before you?—A. Yes.

Q. I see Mr. Bland sets out in his memorandum that there is in the Commission a resolution from the Municipal Council of the village af St. Arsene showing that they had requested a change in the site, and that Mr. Laforest's was a better site to that now (apparently at the date of the memorandum) of Rioux, but Rioux was offering another site from the one in which he had previously had the post office, which new site was almost immediately opposite Mr. Laforest's store to which the post office had been transferred.

Is that a correct summary of the situation?—A. That is right.

Q. Then I see that the Commission, in spite of the report of the District Superintendent, rating Laforest first and Rioux second, reappointed Rioux as postmaster by unanimous decision?—A. Yes.

Q. Would you just read to the Committee the reasons that you gave in 1931 for the continuance of Rioux as postmaster although he was rated second in order of merit?—A. The following is the notation on the file:

> If Mr. Rioux's services were dispensed with as postmaster only because the then site of the post office was unsuitable, and he now offers a new site which the District Superintendent rates as 'Good', and he has the advantage of age and post office experience over Mr. Laforest, as well as the fact that candidates were not orally interviewed, I consider Mr. Rioux is entitled to the position.

Q. Now let me deal with this decision a moment. Is it customary for the district superintendent of post offices in these appointments of postmasters in small places personally to interview the candidates?—A. Not for the district superintendent, but for the post office inspector.

Q. So that when an official of the post office department here the other day, Mr. Coolican, swore it was not customary to interview them personally, that is incorrect?—A. That is incorrect.

Q. You will remember at the time he made that statement I called his attention to it, told him I was vitally interested in the matter, and you will remember he still persisted that it was not customary to interview them personally?—A. In justice to Mr. Coolican I might say he no doubt had in mind the procedure years ago, when cases—and I think he mentioned it—where the revenue was not more than $1,000 were subject to interview.

Q. Did you have any knowledge whether the district superintendent was thoroughly familiar with this village and the locations in it?—A. I had not any reason—

Q. Had you observed that it was the same superintendent who made the rating in 1931 who made it in 1926?—A. As a matter of fact while he fathers the rating he did not personally give the rating. He endorsed his inspector's report.

Q. Were you aware that it was the same inspector?—A. No I didn't know whether it was or not.

Q. You observed in each case the superintendent put a diagram in his report indicating the locations of these different buildings?—A. Yes.

Q. When you refer in your decision this time to Mr. Rioux having the advantage of experience, the only experience which Rioux had gained was while he was in possession for the last four years as postmaster under a majority

decision of the Committee, where he had not been appointed as the first in order under the merit system?—A. Well Mr. Rioux, of course as you say, had some five years additional experience.

Q. No not additional. He had five years experience.—A. But he means from the time that the first decision was given appointing him. And post office experience counts very materially not only with the Commission but with the Post Office department and with their officials when reporting. Because of that additional post office experience I personally could not see how, viewed from the point of view of the post office service, that would not prove most valuable.

Q. Will you come back to my question, please: The whole experience which this man had gained was while he was in possession of this post office as the result of an appointment he had obtained when he was not ranked highest under "the order of merit from a Post Office standpoint"?—A. That is very true.

Q. Now Laforest had had experience being a postmaster from the previous September, that is from September 10, 1931, to February 5, 1932. Was there a single complaint to the Commission from any resident of the village of St. Arsène that they were not receiving good postal service from Mr. Laforest?—A. I am not aware that there was a single complaint against either of the gentlemen.

Q. Were any representations made to you as Commissioner, either by letter or telephone, or personal conversation, with respect to either man before you concurred in this decision in 1932?—A. Well—not to myself, no.

Q. You started off by saying "Well". Were some made to some one else which, in turn, were relayed to you?—A. No, I would not say that.

By Mr. Bowman:

Q. Would you care to say anything in that connection?—A. Well, Mr. Lawson, I thought, was asking had there been any representation made in regard to Mr. Rioux' experience, or Mr. Laforest's experience, or any complaint against the latter while he was temporarily occupying the position. I must admit there has been no complaint as far as I know. But instructions have always been issued to the post office officials not to count the experience while temporarily occupying these post office positions pending the making of a permanent appointment.

By the Chairman:

Q. Are you prepared to swear before this Committee that the Civil Service Commission does not give weight in making appointments of some one as a postmaster who is not rated highest on the merit system, on the ground that he has had experience in the office while occupying it temporarily?—A. When a person has been appointed by the department in a temporary capacity as postmaster, should the post office inspector take that into consideration in giving a rating, he is violating his instructions.

Q. Never mind the post office inspector. I am interested in the Commission. I will deal with the inspector, or superintendent, in turn. You made the statement, and I want to get it very clear on the record, you said, if I understood you correctly, that the Commission in appointing a postmaster did not give weight or consideration or preference to one person for appointment by reason of the fact that the only experience he had over another person was while occupying the position as a temporary appointee of the post office department?—A. Yes, the Civil Service Commission does not, in fact they have given instructions, as I say, that that weight must not carry in regard to the temporary appointment, and the Commission, as a Commission, do not recognize such employment.

Q. Then, if I produce a file in which the reasons given for a unanimous decision of the Civil Service Commission in making an appointment of the second man on the list, according to the merit system, instead of the first, was

because of the previous experience he had had in post office work,—his only experience being while he was temporarily occupying the position,—you will say that must be some exceptional case and that did not come to your notice?—A. I will say so, yes.

Q. All right, I will give you one before the morning is over. Now to finish up with St. Arsène, Mr. Rioux was again officially gazetted postmaster on March 10, 1932?—A. Yes.

By Mr. Bowman:

Q. How did Laforest get hold of the post office in September, 1931?—A. It was transferred to him by the department.

Q. Why?—A. Well because—this is the reason assigned—the other man's, Rioux, site was not satisfactory. It was one of those cases brought up here the other day by the Postmasters' Association, their President said a number of cases occurred where a postmaster was dismissed on the ground that his site was not suitable, when perhaps, he said, it is only moved across the road. And he was objecting.

By Mr. Ernst:

Q. No question of moving across the road?—A. The new site offered by Rioux is almost across the road.

Q. But the transfer had nothing to do with the new site?—A. No, not at the time of the transfer. But it did strike me, as a member of the Commission, that if that was the only objection to Mr. Rioux' incumbency of the postmastership, namely that his then site was unsuitable, while I do not wish to say what the policy of the department should be, I think it would be only fair, if he were giving satisfaction to the public and the department, to put it up to Mr. Rioux: "Here, Mr. Rioux, apparently your site is not suitable, we will have to remove you from the position, unless you can provide a suitable site."

By the Chairman:

Q. But you would have thought it only fair so to put it up to him, when he was appointed, not under the merit system but in spite of it, in 1926?—A. While I was not in favour of Mr. Rioux' appointment, originally, I would not go so far as to say he was not appointed under the merit system. It is an honest difference of opinion.

By Mr. Ernst:

Q. I do not think you have the right to use that term. You can use any term you please, about your own opinion, but you cannot give any such statement about what your confreres' opinion is. That is for us to judge.—A. Well, I always take a man for an honest man—

Q. I am not saying we take them for dishonest, but I do not think you have any right to say it is an honest difference of opinion. You have a right to justify your own opinion.—A. Well I am expressing my own opinion. I am not expressing Mr. Ernst's.

Q. I am merely suggesting that, as a witness, you have no right to say whether your confreres' opinion is honest or dishonest. You can give your own, and the reason for it, and they can give theirs. The conclusion is for us to draw. —A. Well I must admit I am not sufficiently acquainted with those fine legal distinctions.

Q. There is no fine legal distinction in that. It just has to do with you trying to shield your confreres.—A. That is imputing a motive to me that I think is unworthy, Mr. Ernst.

Mr. Bowman: I think the Doctor has given his own honest opinion.

Mr. ERNST: I am not saying his own opinion is not honest, I hope Dr Roche does not think that.

Mr. BOWMAN: And he thinks his confreres have done the same.

The WITNESS: That is as I take it, yes.

By Mr. Bowman:

Q. Now, Doctor, I cannot understand the attitude of, shall I say the Commission as a whole, when, after a very pronounced difference of opinion, in 1927, you did finally allocate the post office to Mr. Rioux against your original judgment; then, in 1931, you transfer the office to Laforest. I cannot understand that.—A. It is the department's doing.

Q. The department did that?—A. Yes.

Q. The Commission had nothing to do with it at all?—A. Nothing at all.

Q. Have they the authority to do that, without consulting with the Commission, put a new man in charge?—A. Apparently they have and that is one of the complaints we make. I believe, under the Post Office Act, they are privileged to do that.

Q. It is a rather anomalous position, is it not?—A. It is rather.

Q. Particularly in this case.—A. Well I would say so.

Q. The point raised by the Chairman might perhaps be cleared up, that is with regard to the weight given to temporary appointments. I understand you to say that the instructions of the Commission are to the effect that no weight should be given to temporary employment?—A. Yes.

Q. In the letter on file under date of October 4, 1927, I think the Commission are asked to bear in mind the fact that the present incumbent had satisfactorily occupied the position of postmaster.—A. Yes. In regard to that question, you speak about the temporary occupancy of the position not being counted. Here is the post office inspector's ratings, the form of which has been left with the Committee, in which appear these words:

> 60 per cent to be regarded as barely satisfactory, and experience as acting postmaster in the position in question not to be taken into consideration.

By Mr. Laurin:

Q. I cannot see how it is in favour of the merit system when there are three there. Especially Laforest who had 90 and Rioux 85. I mentioned the last day when Mr. Morgan appeared here as witness, I asked him: "After the routine proceedings of the examiner could you tell me whether the applicant who has obtained the highest rating is finally appointed?" His answer was, "It is final." How is it that the Commissioners do not render their judgment according to the highest rating? Is it not final?—A. I think when you were asking that question of Mr. Morgan it was referring to certain ratings which had been given by the Commission's own officers on education and experience with another class of position. But, in this case, the post office inspector frequently gives a civilian the highest rating and a returned soldier just sufficient rating to qualify him.

Q. But there was in this case no returned soldier, there were only three applicants, and besides Mme. Rioux there was only Laforest and Rioux.—A. Well, I see your contention is that we should in every instance take the rating given by the post office inspector?

Q. I think you will agree that you were in dissent from the others.—A. In the original appointment, yes.

By the Chairman:

Q. So that there may be no misunderstanding, I know what Mr. Laurin has in mind, but he has not the facility, in English, to express it precisely. We

are not complaining about the fact that the person rated second was appointed for some reason. We had the Secretary of the Civil Service Commission solemnly tell us that the person who ranked highest in order of merit always gets these appointments, that is the impression that was sent out through the press of this country. We want to know whether or not we have such a merit system.—A. I think you may be confusing the examinations. That is the case there.

The CHAIRMAN: Oh well, Doctor!

By Mr. Bowman:

Q. We are not confusing that, Doctor, because we went into that with great care with regard to two or three cases, and got the ratings on both oral and written examinations. It was quite clearly represented to us that the Commission then prepared a list of ratings in accordance with the final results, not the intermediate steps.—A. Well there is a different procedure with different classes of positions. I do not think you have had any evidence, from any officer of the Commission, that where a post office inspector gives a rating it is the invariable practice for the Commission to appoint the one getting the highest rating. I do not think any officer of the Commission could possibly say that.

Q. I will grant that. But, all other things being equal, we are led to believe that those ratings will be followed.—A. If the file justified them.

Q. All other things being equal, I say.

By Mr. Ernst:

Q. I find it rather an amazing system, that the man who has the personal interview, actually sees the candidate, should have his ratings overruled by a file. Because he certainly can draw a conclusion as to whether that person can run a post office. From a file you cannot see anything of the personality of an applicant, which, in a post office, is a vital factor.—A. Well, we take everything into consideration, not only the man's own application form, but also the questions and answers of the post office inspector. It frequently looks very contradictory, the ratings,—not frequently, but not infrequently, where the post office inspector's ratings do not seem to be warranted by the facts as disclosed even by the inspector.

Q. Let me give you a hypothetical case; you have two applicants for a postmastership, one a high school graduate, the other who has left school at grade 3. The man who left at grade 3 has applied himself through life, he is say 30 years of age, has attained some position, has personality and the respect of the community. The post office inspector sees them, and he may rank the one who left school at grade 3 highest; but you with your system would say, "Oh no, we cannot take that man, because taking education and experience"—A. No, because we take experience.

Q. What experience?—A. Post office experience.

Q. I am leaving post office experience out. I have in mind a case in my own constituency. To my mind it gives the Commission opportunity to juggle the facts around and justify anything.—A. Well the Commission are sitting in a quasi-judicial character, and we have to weigh the facts. It is true we do not know the two men. It is not a case of favouritism.

Q. I am not suggesting favouritism.—A. It is a case of passing our judgment on the facts as submitted in the files.

Q. I am not suggesting as far as your personal judgment is concerned it is the least bit unfair, but no court is any better than the majority of its constituent members.—A. I am not claiming we are any better.

Q. It is not any better than the integrity of its individual members. I am not casting any reflection, I am merely stating that as a proposition.

The CHAIRMAN: Anything else, gentlemen?

I may say, for the information of the Committee, so that I will not be accused of "playing politics," that in the cases I have selected to deal with I have taken them all under the regime of the present Government. I think I took five, under the present regime, or seven out of 40 or 50 files which I reviewed.

Mr. ERNST: I do not think it makes the slightest difference which way they are, it is the principle we are after.

J. E. TREMBLAY, called.

By the Chairman:

Q. You are a member of the Civil Service Commission?—A. Yes, sir.

Q. In what capacity were you engaged before you were appointed as Civil Service Commissioner?—A. From 1910 until 1926 I was in the Justice department as secretary to various Ministers of Justice.

Q. Private Secretary?—A. Yes.

Q. From what date?—A. 1911 to 1926.

Q. Prior to your acting as private secretary to respective Ministers of Justice during that period, in what occupation were you engaged?—A. I was for three years at the Court House in Sherbrooke.

Q. As a court official of some kind?—A. Yes.

Q. What official?—A. Deputy clerk of the Circuit Court. And later for a year with the Canadian Pacific Railway in Montreal.

Q. Are you a graduate advocate or barrister of the Province of Quebec?—A. No, sir.

Q. Your court officers in Quebec do not have to be qualified barristers?—A. No sir, not in the lower courts.

By Mr. Laurin:

Q. Have you any degree?—A. No, sir.

Q. Then in this St. Arsène case we have been dealing with, I observe you were one of the Commissioners who gave the majority decision appointing Mr. Rioux, the third on the list in order of merit, in priority to Mr. Laforest, the second on the list in order of merit. Is that correct?—A. I think so.

Q. Are you looking for the memorandum of your decision?—A. Yes.

Q. I have quoted from a letter that we have this morning, which said:—

> With my excellent friend, Mr. Jean François Pouliot, member of parliament for this county, I have recommended to yourself and to Mr. J. Emile Tremblay, a member of the Civil Service Commission, the immediate nomination of Mr. Ed. Rioux, as acting postmaster in my parish.

Did you receive any communications from the writer of that letter recommending Rioux to you?—A. It is hard to recollect at this date but I think Rev. Mr. X. came to see me, or wrote me, at Ottawa.

Q. We can leave his name out of the picture. If he wrote you, would there not be a letter from him on the file?—A. Not necessarily, if he wrote me personally.

Q. If it were a letter addressed to you and marked "personal and private," it is your personal and private property.

Mr. ERNST: I cannot agree that a letter written to a man acting in an official capacity can be considered personal and private.

The CHAIRMAN: I will withdraw the proposal and say there is no such letter on the file anywhere.

The WITNESS: I may say I have not seen this file for some time.

By the Chairman:

Q. Can you give me the other reason for deciding that Rioux should be appointed postmaster, when he was third in order of merit, instead of Laforest, who was second in order of merit, in view of the district superintendent's report.

By Mr. Bowman:

Q. If necessary, you can take a little time. Look over it?—A. I have not seen this file for some time.

By the Chairman:

Q. Read over your decision. Take your time?—A. I then considered Rioux was the best man, on the document and on the recommendations made to me.

The Chairman hereupon left the Chair.

By Mr. Bowman; Vice Chairman:

Q. You say you considered Rioux was the best man for the position?—A. Yes.

Q. On what ground?—A. On the ground of his qualification.

Q. Will you please point out the particular qualification on which you were basing your judgment?—A. They were application forms in 1926.

Q. In view of the application forms?—A. They are not here.

Q. Mr. Bland, Mr. Tremblay is wanting some information. Dr. Roche, while we are waiting for some information from Mr. Tremblay and while it may be true that the Commission give instructions, it must be known to the Post Office department, there is a rather anomalous statement in Mr. Coolican's letter of October 4, 1927, in which Mr. Coolican writes to the secretary of the Commission, pointing out that as Rioux had been acting postmaster since the 11th November, 1926, and as no complaint had been received against his management, a certificate should be issued confirming him in that position.

Dr. ROCHE: Is that about Rioux?

By the Vice Chairman:

Q. No, that is a letter from Mr. Coolican to the Commission, in which Mr. Coolican himself says that as Rioux has been acting as postmaster since November 11, 1926, and no complaint has been received against his management, a certificate should be issued to him, in which Mr. Coolican points out right there that temporary service is taken into consideration?—A. Not by the Commission.

Q. Apparently by Mr. Coolican?—A. In order to make a strong case, in fact, inspectors do sometimes include district superintendents' report in their report in order to make as strong a point as possible to get a certificate. The Commission does not.

Q. Is there not something further than that. Does the Post Office department not furnish you with ratings?—A. Yes.

Q. If the Post Office department furnished you with ratings, how can you reconcile what you have just stated with the statement of Mr. Coolican in that matter?—A. I am stating what the Commission do decide.

Q. And what their instructions are?—A. Yes.

Q. Their instructions are not followed?—A. They are followed.

Q. I am only judging from the memorandum of Mr. Coolican, who is apparently a very very highly efficient officer of the Service?—A. Yes.

Q. Are you ready now, Mr. Tremblay?—A. No, the file is not here.

Q. Perhaps while we are waiting for that we might go back to the early part of your testimony, to your appointment which took place in 1926. You were secretary in various departments?—A. I was secretary to various Ministers in the department of Justice.

Q. Various Ministers?—A. Yes—three of them.

Q. I suppose your last position being secretary to Mr. Lapointe?—A. Yes.

Q. Prior to that you were deputy clerk to the Court of Sessions?—A. We call it the Circuit Court.

Q. The Circuit Court, in Quebec?—A. Yes.

Q. For how many years did you occupy that position?—A. Three years, less a few months.

Q. When I said you were secretary in various departments, you were in various parts of the department of Justice?—A. Yes.

Q. This position in the Circuit Court, was that a little prior to your coming to Ottawa and going into the department of Justice?—A. No, I left there and went to Montreal, to the Canadian Pacific Railway.

Q. What position did you occupy there?—A. Stenographer.

Q. How long was that?—A. Nine months.

Q. What did you do, prior to your being deputy clerk of the Circuit Court? —A. I just came out of school then.

Q. At what age would that be?—A. I was 16.

Q. Sixteen?—A. Yes.

Q. What age would that make you, at the time you became Commissioner? —A. That was in 1926. I was 36-37.

Q. Then what did your primary schooling consist of?—A. Just a commercial course.

Q. Prior to that I suppose you had attended public school?—A. Well, in Quebec we do not call them public schools.

Q. Will you just explain, in your own words, to the Committee of what your primary education consisted?—A. I started school in the county, at Actonvale, and from there I went to Sherbrooke and I got through the commercial course at Sherbrooke, at the Sherbrooke Academy, then went into the Circuit Court.

By Mr. Laurin:

Q. Did you follow the whole of the commercial course there?—A. Yes.

By Mr. Ernst:

Q. At Sherbrooke Academy.

By the Vice Chairman:

Q. How many years were you there, at the Sherbrooke Academy?—A. I think I was there six years.

By Mr. Ernst:

Q. Graduating at what age?—A. Sixteen.

Q. Of what subjects did the commercial course consist?—A. The ordinary commercial course.

Q. If you started in at ten years of age, you did not start with a purely commercial course at that age?

Mr. LAURIN: It is different in Quebec.

By Mr. Ernst:

Q. Did he start at the actual commercial course?

Mr. LAURIN: There is a classical course and a commercial course and he might start in the commercial course at ten.

By Mr. Ernst:

Q. Of what would the commercial course consist?—A. Just the ordinary course; geography, spelling—

Q. It sounds as if it might be accountancy or some such thing?—A. No, just ordinary subjects.

Q. I suppose if you take a classical course you are preparing to go into one of the professions. If you take a commercial course you are just preparing to go out into the business world and earn your living?—A. Yes.

By the Vice Chairman:

Q. Does it correspond to our provincial public school?—A. Yes, nearly.

Q. Or the latter years in the high school?—A. Yes.

Q. When he graduates from that school it is perhaps more or less graduating from the first or second grade in high school?—A. Yes.

Q. After that where did you go?—A. I went to the Court at Sherbrooke.

Q. In what capacity?—A. I was deputy Clerk of the Circuit Court.

Q. Deputy Clerk of the Circuit Court?—A. There is the Circuit Court and the Superior Court.

Q. The Circuit Court would correspond with our County Courts?—A. Yes, I think so.

Q. And you went as deputy Clerk?—A. Yes.

By Mr. Ernst:

Q. For three years?—A. Yes.

By the Vice Chairman:

Q. And you came to Ottawa,—A. Yes.

Q. For about nine months where you were stenographer?—A. Yes and I went back to newspaper work.

By Mr. Ernst:

Q. In what capacity?—A. General reporter.

Q. General reporter, type-setting or what?—A. General reporter in the office, and doing general work.

Q. What sort of stuff did you cover as a reporter?—A. It was a weekly paper, and we had to cover almost anything.

Q. A weekly paper?—A. Yes.

Q. With a circulation of what?—A. At that time it did not have a very big circulation; it had just started.

By the Vice Chairman:

Q. You were a sort of jack-of-all-trades around the office?—A. Yes.

By Mr. Ernst:

Q. After that?

By the Vice Chairman:

Q. After that he came to Ottawa?—A. I came in December, 1910.

Q. As secretary?—A. No. I came in as stenographer, passed the examination of the Civil Service and was sent to the office of the Auditor General.

By Mr. Ernst:

Q. As stenographer?—A. Yes.

Q. You remained as stenographer how long?—A. About a year.

Q. And then you became what?—A. I was taken in to the office of the Minister of Justice.

Q. In what capacity?—A. First as stenographer, later, as assistant secretary.

Q. Let us get the experience. How long as a stenographer?—A. I am not quite sure whether I was a year.

Q. That would bring it down to 1912?—A. Yes.

Q. Yes. Go on?—A. Then I became assistant private secretary.

Q. Assistant secretary when?—A. I think it was in 1916.

Q. That is from 1912 until 1916?—A. Yes, when I was appointed joint private secretary.

Q. Joint private secretary from 1916 until when?—A. Until 1921.

Q. And from 1921?—A. Then I became private secretary alone.

Q. Alone. From 1921 to when?—A. To 1926, to various ministers, to different ministers: Sir Lomer Gouin and Right Honourable Mr. Doherty, before that. While you are waiting for the files perhaps I could deal with the question of site.

By the Vice Chairman:

Q. No. Clear up one matter first. While you are waiting what do you say with the matter of site?—A. In this instance, the site was not as central, as reported by the inspector, as that other, by Laforest, but we have an opinion from the Justice department.

By Mr. Laurin:

Q. You had an opinion then since that time?—A. It was some time away back in 1923.

By the Vice Chairman:

Q. Before we go to that you say you had a report from the inspector?—A. The inspector's report states that the site offered by Rioux was not quite as central as that offered by Laforest.

Q. The post office inspector's report was that Laforest's site was the better site?—A. Yes, but the Justice department ruled that the Civil Service Act does not vest the Civil Service Commission with the selection of post office sites or buildings; therefore that is not a matter which the Civil Service Commission has power to consider in the selection of postmasterships. If the inspector reports the site is not satisfactory, so far as I am concerned that settles the matter.

Q. What is the use of quoting these things to the contrary?—A. Well, here is another one here.

Q. I want to know what the practice of the Commission is, Mr. Tremblay?—A. If the inspector reports two sites are acceptable, then it is up to the Post Office department.

Q. You do take into consideration that one post office site may not be satisfactory or one most satisfactory?—A. Not the most satisfactory.

Q. What do you take into consideration?—A. If it was a site that was not satisfactory at all, we don't appoint the man.

Q. So you do not pay much attention to the ruling you have just given, so far as the department of Justice is concerned?—A. Yes, I think it bears it out.

Q. In what way does it bear it out? Surely to goodness if you are going to appoint a postmaster the place where he is going to do business is very

important?—A. It is reported by the inspector and he says if it is satisfactory or not. If he says it is not satisfactory, we do not appoint the man.

Q. You do take the question of site into consideration?—A. To that extent.

Q. Is there anything else with regard to the matter of site. In this case there was no dispute as to site. Laforest's site, in the opinion of the post office inspector, was better than Rioux'?—A. Yes.

By Mr. Laurin:

Q. Was it at the time Rioux was appointed or before?

The VICE CHAIRMAN: This was before.

The WITNESS: There is another opinion, which modifies this to a certain extent.

> While the selection and appointment of postmasterships appertain to the Civil Service Commission in the exercise of their statutory functions, the establishment and closing of post offices is, on the other hand, a statutory function of the Postmaster General, and I apprehend that what Mr. Newcombe meant to imply in the statement above quoted was that the Civil Service Commission had not authority, in performance of its functions, to determine the selection of post office sites or buildings, that being a matter entrusted exclusively to the Postmaster General.
>
> Consistently with that view, where, as in the case of the smaller post offices, the selection of the postmaster if coupled with the provision by him of suitable quarters for a post office in the particular locality concerned, I consider it to be not only proper, but essential, for the Civil Service Commission to ascertain what quarters, offered by the several candidates, the Postmaster General would be disposed to regard as a suitable place for the establishment of a post office, in order to determine the selection of the most suitable person for the position as postmaster. But the Commission cannot, in the exercise of its power of appointment, determine the location of the post office for any particular locality, except in the possible case where, the Postmaster General having signified his willingness to establish a post office in any of two or more of the quarters offered by the candidates, that is an incidental result of the appointment.

By the Vice Chairman:

Q. That has no bearing on the matter at issue just now?—A. It has a bearing in this way; we did not appoint the man who offered the most central site.

Q. You did not appoint him?—A. No, we appointed Rioux.

Q. I cannot really see what bearing that has on the matter at all. Are the applications here now?—A. Yes.

Q. What is the foundation for your judgment, that this post office, in 1927, was awarded to Rioux instead of Laforest?—A. Notwithstanding the fact that the inspector told us Laforest was higher, I did not agree with that order of merit, and I considered Rioux was entitled to the position and, on the facts submitted to me, and on representations made to me by the parish priest to the effect Rioux was the choice of the whole population and his appointment was the most satisfactory.

By Mr. Laurin:

Q. How is it you based your judgment on a letter?—A. It is not a letter. I am pretty certain the priest came to Ottawa to see me.

Q. You received a recommendation from Mr. Pouliot too?—A. I do not think I did.

Q. There is another letter in the dossier, recommending Rioux from Mr. Pouliot?—A. There is none on this file. I may have received one from Mr. Pouliot, or I may have seen him. As a matter of fact I think he brought the priest and introduced me to him. I am not certain, but I think very likely that is what happened.

By the Vice Chairman:

Q. Do you know. Do not give any evidence you are not certain of. You have just stated that representations were made to you by the priest.

Mr. LAURIN: I would suggest not to give the name of the priest.

By the Vice Chairman:

Q. I would suggest the name of the priest be left out. You say because representations were made to you, personally, by the priest that that was one of the deciding factors in your arriving at the decision to give the post office to Rioux?—A. I considered Rioux' education and experience equal to, if not better, than Laforest.

Q. Kindly answer my question. Was it because of representations made to you by a priest that you decided in favour of Rioux?—A. Partly.

Q. Partly?—A. Yes.

Q. Did you communicate with the Chairman of the Commission the representations that had been made by the priest to you?—A. I do not recollect. I may, but I do not recollect if I did.

Q. Do you not think it was your duty, as one of the Commissioners, to bring before the Commission all the facts that were bearing on this appointment, and if the influence of the Rev. Mr. X. was such that that had weight with you, do you not think the attention of the other members of the Commission should be drawn to these facts?—A. I think so, and, while I do not recollect, I cannot say whether I did, or not, but ordinarily I would.

Q. But you would know if you did in this case?—A. No, I cannot recollect.

Q. May I ask Dr. Roche if any representations were brought to his attention, such as Mr. Tremblay has referred to.

Dr. ROCHE: No, not that I am aware of.

By Mr. Laurin:

Q. Did you think the priest came here to Ottawa specially to make a recommendation for Rioux? Did he come to Ottawa?—A. He came to Ottawa.

By the Vice Chairman:

Q. Are you sure of that?—A. I am speaking after five years. That is merely my recollection.

Q. Will you please confine yourself entirely to what you are pretty certain of, to facts. Please do not guess?—A. I cannot answer that, because I really do not recollect.

Q. Did, or did not, the Rev. Mr. So and So write to you making representations on behalf of Rioux?—A. Either he wrote or came to see me.

Q. You are not certain which?—A. No.

Q. But he did make strong representations to you in favour of Rioux?—A. He was specially against the appointment of Mrs. Roy for reasons given.

By Mr. Laurin:

Q. Against the appointment of Mrs. Roy, but not against the appointment of Laforest?—A. No, but he did tell me either in a letter or in conversation, that

Rioux was the choice of most of the population of the village and that his appointment would be satisfactory to all concerned.

By the Vice Chairman:

Q. You are quite certain now, after thinking things over, that he went so far as to tell you that the appointment was satisfactory to all the people of this particular village?—A. I would not say that; to the mass of the people.

Q. You remember that quite clearly?—A. Yes, that is, either written or verbal. I cannot remember, but I know he told me that.

Q. Are you just surmizing that, or do you remember that quite distinctly? —A. I remember that quite distinctly.

Q. And the representations made to you by the Rev. Mr. X. did bear considerable weight in your arriving at a decision?—A. Yes, it did.

Q. And is that the way the Commission perform their functions in appointing people to various public positions?—A. We are always anxious to have all the information we can.

Q. And that information not being available to all the members of the Commission?—A. Generally it was, and I cannot say it was not done in this case.

Q. You have heard Dr. Roche in answer to my inquiry?—A. I do not know whether I did but ordinarily I would.

By Mr. Laurin:

Q. According to your memory, was that the only recommendation you had, in favour of Rioux, from this priest?—A. No. I think I had correspondence with a lot of people.

By the Vice Chairman:

Q. A lot of correspondence?—A. Yes.

Q. Where is your correspondence?—A. I have not got any of it now.

Q. I beg your pardon?—A. I have not got any of it now. I keep my personal correspondence only five or six months and then it is destroyed.

Q. Was that correspondence brought to the attention of the other members of the Commission?—A. I could not say now.

By Mr. MacInnis:

Q. The Post Office department had an inspector, or superintendent, make reports, and according to the inspector, Laforest, I think, is the name—it is difficult to remember French names—was rated higher than Mr. Rioux?—A. He was placed higher in order of merit from a post office standpoint.

Q. And the parish priest, who might have a personal bias in this matter, his word weighed more with you than that of the inspector?—A. No, I did not feel the inspector's rating was justified.

Q. Just a moment. You did not feel his rating was justified. Why not?— A. I did not see any reason for placing one higher than the other just on the facts disclosed by the application form, and when the priest came to me he threw the balance in favour of Rioux.

By the Vice Chairman:

Q. You say when the priest came to you or made to you his representations that that gave the balance in favour of Rioux?—A. That is right.

By Mr. MacInnis:

Q. In other words, the representations of the priest influenced you in making your decision?—A. I would not say it influenced me, but it helped me form my opinion as to who was the best man.

By the Vice Chairman:

Q. It must have influenced you in forming your opinion?

By Mr. MacInnis:

Q. In other words, it had greater weight with you than the report of the inspector, who was sent out to make the rating on the application for this position?—A. I suppose so. Put it that way, yes.

By the Vice Chairman:

Q. Had you ever met the priest before he came to Ottawa?—A. No.

Q. You had never known him before?—A. No.

Q. You did not know the priest previously?—A. I did not know him.

Q. So you not only accepted the priest's recommendations, but you accepted them without knowing anything about the priest?—A. He was introduced to me as the parish priest for St. Arsène.

Q. And you accepted these representations and gave these representations such weight that they put the balance in favour of Rioux?—A. Well, yes.

Q. Now, we are going to adjourn. It is 1 o'clock, but this is a very grave matter, in my opinion, and I would appreciate, Mr. Tremblay, your considering this matter seriously between now and our next sitting. Examine these files carefully in the interim and if you have any other light that would bear upon the matter from your point of view, we would be glad to hear it.

The Committee adjourned until 3.00 o'clock p.m.

AFTERNOON SESSION

The Committee met at 3.30 p.m., Mr. Lawson presiding.

J. Emile Tremblay, recalled.

By Mr. Bowman:

Q. At the time of adjournment I pointed out to you the somewhat serious nature of the statement made by you to the effect that you had been influenced in your appointment to this position by someone outside the Service. Have you anything further to say in connection with the matter?—A. Just to make my position clear I have put down a few notes.

Q. That is, you have further considered the matter carefully?—A. I have just looked over the file, just to resume what I said this morning.

Q. And you have now made a memorandum. Would you like to submit that memorandum to the Committee. If you would, you may do so?—A. Yes.

> The Commissioners receive and welcome representations from reputable residents of the locality in which the appointment is to be made. They weigh them and form their opinion on all the facts submitted to them.
>
> The parish priest or the minister of a church, particularly in a small community knows all his people intimately and his representations are generally genuine, made without political considerations and in the best interest of his fellow citizens. In this case the representations made to me appeared to be for the public good and I received them and accepted them in good faith. I could see no justification for the preference accorded Mr. Laforest by the inspector in his ratings. From the sworn declarations submitted, it did not appear that the qualifications of either applicant were outstanding. Both had elementary education sufficient to carry on the work of the office and the experience of both seemed to be about the same. Therefore as Rioux was a younger man with a large

family to support I approved of his appointment, taking into consideration the qualifications of the applicants, including their respective ages, plus the representations made to me as above stated.

Q. Now you say that the Commissioners welcome statements by reputable people in the district?—A. Yes.

Q. The statements to which you referred were not brought to the attention of the Commission?—A. I did not say that.

Q. That is what you stated before noon?—A. I stated the Commissioners welcomed recommendations.

Q. If these are recommendations upon which you make appointment to an office, these recommendations should go to the Commission?—A. Yes.

Q. Not to one member of the Commission?—A. No.

Q. In this case no representations from the parish priest were communicated to anybody except yourself. That is what you did say?—A. I said I could not recollect whether this recommendation was before my colleagues or not; I do not know whether he sent them to the others, I could not say.

By Mr. MacInnis:

Q. You said representations are made. Should not such representations become part of the record, that is when you base your decisions on them?—A. If they are verbal?

By Mr. Ernst:

Q. Do you not think they should be made under oath, under these circumstances. You send your inspectors, or the examiner goes there, and they are under oath. Do you mean to say you allow unsworn testimony in the form of letters to influence your decision? You just said you accept them?—A. It does not mean we act on them.

Q. In this particular instance you say you were influenced by them?—A. I said I took them into consideration in making the appointment.

By the Chairman:

Q. You said this morning because of the statements made by the parish priest, the candidates were so evenly balanced, his statement was sufficient to give the appointment to Rioux?—A. Yes.

Q. And you were further asked as to whether or not the representations made to you were brought to the attention of the Commission?—A. I do not recollect if I did or not bring them to the attention of my colleagues.

Q. Do you remember me asking Dr. Roche, and Dr. Roche, who dissented in this case from the majority of the Commissioners, said these representations had not been brought to his attention. Can you justify such a situation, of representations made to you orally, in the first place, not becoming part of the record; in the next place, not being brought to the attention of the Commission to form any part of the weight which should be given by any member of the Commission in making the finding?—A. It does happen.

Q. Has it happened?—A. I think so.

Q. Has that been to a certain extent the practice?—A. It has been followed in the Commission. Well, it is not a practice but the Commissioners may have personal knowledge of certain facts.

By Mr. Ernst:

Q. Do you mean personal knowledge after certain things are brought to their attention?—A. Yes.

Q. That is different?—A. Yes.

Q. Are we to understand, not only in this particular case, but in other cases, generally, that statements made by men in authority before the individual Commissioner are weighed and are considered before the final decision is given?—A. When we give our decision we consider all the representations, whether they come from a member of Parliament or any person in authority. It does not mean we do what is represented to us but we take them into consideration.

Q. In any general case, where candidates' ratings were classed, you say it has been your practice to weigh carefully representations made to you verbally by men in authority, such as police magistrates, the local minister, the local parish priest, or such other men as I have mentioned?—A. Yes.

Q. And those representations are not often put upon the records of the Commission?—A. If they are made officially, they are placed on the record.

Q. That is, if they are made in writing?—A. Yes.

Q. But where they are not made in writing, there is no record of them with the Commission?—A. No.

Q. They do, however, have influence. In speaking of this class—you can only speak about these—they do, in so far as you personally are concerned, have a certain amount of weight?—A. They have some consideration.

Q. If they are taken into consideration, they must be given some weight?—A. Yes.

Q. As a matter of fact you told us this morning it was because of the information given to you by the parish priest that finally determined the scale in favour of Rioux?—A. Not because of his information but because of the representations which he made to us.

Q. Which, after all, is the same thing?—A. Well, I do not know.

Q. Have you anything further to add to the written statement you have presented?—A. I do not think so.

By Mr. Ernst:

Q. Either you, or Dr. Roche, said you considered yourselves a court, sitting in this case?—A. I think it was Dr. Roche.

Q. Have you had court experience. You told us you were deputy Clerk of a Court. You have seen a court sitting?—A. Yes.

Q. Have you ever seen a court, after the evidence is given, taking unsworn statements from any person, to influence the decision of that court?—A. No.

Q. I hope you did not.

By Mr. Bowman:

Q. Did you ever see a court acting upon decisions or statements which are not put in the records of the court?—A. I do not think so.

By Mr. Ernst:

Q. Have you ever heard them act upon statements that the applicants or litigants did not know were made at all?—A. No, I cannot say I have.

Q. If you are a court, these people are really litigants?—A. Yes.

Q. Have you ever seen a court accept testimony which the litigants did not know anything about?—A. No. I have not noticed any.

Q. Have you ever seen a court where one member of that court would accept a statement and allow it to influence him without at least making sure the other two knew of it?—A. I have not seen it. I do not know about that.

Q. You say you take it for granted police magistrates or clergymen have no politics?—A. I feel that the parish priest, anyway, is not a politician.

By Mr. Bowman:

Q. What about the local magistrate?—A. I suppose, when it comes to a local magistrate, it is out of place.

By Mr. Ernst:

Q. You do not want to say that many many parish priests and clergymen of other denominations do not actually interest themselves in politics in this country?—A. I am not saying they should. I do not think they should.

Q. Do you know that happens?—I have heard it said. I do not know.

Q. I have seen them acting as chairman of political meetings and telling the audience they ought to believe one side, but not the other. Would you call that taking sides?—A. I have not seen it.

By Mr. Bowman:

Q. I suppose you have heard of some members of Parliament who have taken sides in some political matters?—A. Yes.

By Mr. Ernst:

Q. You knew that the name of a member of Parliament was coupled with that of the parish priest in making the same recommendation?—A. The letter showed that the member of Parliament conferred with the priest on the subject. His name was coupled with somebody else as well. I have some confidential letters from him since.

By Mr. Bowman:

Q. Mr. Tremblay, you say that you have been in the practice of receiving letters from people that have been addressed to you personally?—A. Yes.

Q. In regard to these matters and that you have considered those as being personal and confidential and have not put them on file?—A. No, I have not put them on the file, if they are personal. Sometimes I have read them to my colleagues.

Q. If they were shown to your colleagues, do you not think they should be put on file?—A. Well, they are marked "personal" to me and they are not supposed to be put on the file.

Q. If they were marked "personal" to you, would you be justified in saying they are not open to other members of the Commission?—A. I would say I would think so.

Q. It is only a matter of degree whether you show it to one or fifty. It soon takes it out of the personal class?—A. If it is marked "personal"—I have shown it to my colleagues and some of the other Commissioners did that as well.

By Mr. MacInnis:

Q. You said the board welcomed letters from the outside in reference to applicants?—A. Yes.

Q. Is that a matter of policy with the board?—A. Well, I think, to a certain extent, it is. We want to have all the information we can before making the appointments. I do not mean political information, but about the personal standing of the man.

Q. And if you received a personal letter you say that that might influence the decision you would give as between the applicants for a certain position. It might influence you one way or the other?—A. I say I would consider whatever his statements were and try and verify if there is anything in them.

Q. If a person were to make a verbal statement to you, you would take it in the same way?—A. If I thought it were honest. I would use my own judgment.

Q. The point is, when you are acting as a member of the Civil Service Commission, you are not acting in a personal capacity. You are acting in an

official capacity. I cannot very well see how you can be influenced by personal considerations in an official capacity and still be true to your oath of office?—A. I do not say I was influenced.

Q. But you must be influenced?

Mr. Bowman: Not only must he be, but he has sworn he was influenced.

By Mr. MacInnis:

Q. If Mr. Laurin and myself are applicants for a certain position and if Mr. Laurin gets the parish priest to speak a word for him privately with the Commissioners and I do not, then evidently I am at a disadvantage with Mr. Laurin in securing that position?—A. No, not at all. It would depend on the representations.

Q. It would depend possibly on what the parish priest said, but if he was coming to speak in his favour he would not say anything that was detrimental to him, and if you were taking the information from an outside source, if you like, then as a matter of fact you are opening the door for lobbying on the part of applicants for positions?—A. We send men from here sometimes; we interview the men.

Q. I quite understand if Mr. Laurin and myself gave certain references you would investigate these references either by letter or personally. That is different altogether, but what I want to draw your attention to, in your official capacity, you are allowing personal consideration to enter into official decisions? —A. I suppose they are individual because they come from an individual though sometimes from an association or a body of people.

By the Chairman:

Q. Is that all, gentlemen? Mr. Tremblay, the district superintendents' report shows in this case (1) that the second choice in the order of merit had a better location than the third choice, whom you appointed?—A. Yes.

Q. It shows that the government would save money if the second man were appointed instead of the third man, whom you did appoint. It pointed out some advantage in the second man over the third man, which, for the moment, has slipped me. According to the letter on file, which influenced you in your judgment, there is not a single word said in favour of the second man but, in favour of the third whom you appointed, from "my excellent friend, recommended to the Postmaster General and to Mr. Tremblay" were representations made to you other than those contained therein? If so what were they?—A. I think the parish priest said he wrote to the Postmaster General and myself.

Q. He does not set out anything against the second man nor in favour of the third man?—A. Not in that letter, but he did to me when he came to see me.

By Mr. Bowman:

Q. Might I also say, before the noon adjournment Mr. Tremblay said that prior to the time these representations were received, as far as he could say, Laforest and Rioux were about on an even balance and that the parish priest's recommendation to him had led him to make his decision in favour of Rioux. Is that correct?—A. Yes.

The Chairman: I am sorry. My confrère, Mr. MacInnis is anxious to know if in the representations that were made to you by the parish priest anything was said that was detrimental to Laforest?—A. No. It is merely in his opinion and in the opinion of the majority of the members of the village that Rioux was more entitled to it than Laforest. He needed it more. He had a large family and he was the choice of the majority.

By Mr. MacInnis:

Q. In making the appointment, did you take the largeness of the family into consideration?—A. Well, in some positions we do.

By Mr. Bowman:

Q. Did you in this case?—A. I admit it did weigh some.

Q. Is there anything on the record to show the question of the family?—A. Yes, there is. If you look at the inspector's report I think he mentions 12 children.

Q. Do you go into the question of how much money or what lands a man owns and whether he needs this post office job to support that family?—A. No.

Q. How are you going to get a true picture, if a man is in a position to support his family?—A. These are the representations made to me by the parish priest.

Q. He told you the second, or the third man was better fitted?—A. Yes.

Q. In what way?—A. He told me his standing in the community was better than the other man. I think he said he had been mayor of the village, if I am not mistaken, and stood in better with the residents than the other man, and his appointment would be more acceptable to the patrons of the office. I am only speaking from recollection.

By Mr. Bowman:

Q. Recollection of something that happened in 1927, of which there is no written record in the Commission, of which you have no written record whatever?—A. I have none.

By Mr. Laurin:

Q. Do you understand, Mr. Tremblay, that Laforest is still in charge of the post office?—A. I think so. That, of course, is a matter for the post office, but I think he is, still we issued a certificate for Rioux.

The CHAIRMAN: I thought there was a certificate issued in March, 1932.

Mr. LAURIN: That does not mean the final appointment of the postmaster.

The WITNESS: It is still in the charge of Laforest, although the certificate issued some time ago.

Q. Since that time did you ever receive a communication from the same priest?—A. Yes, I did.

Q. You have received a communication?—A. Yes.

Q. About the post office?—A. No.

Q. The site?—A. No, not about the post office.

Q. Did you ever receive any communication from the priest still stating he was in favour of Rioux or the other one since you issued your certificate?—A. Yes. I received one this morning. It is market "confidential."

By the Chairman:

Q. Did you give evidence before this Committee this morning as a result of receiving that letter. Did you review this file at all before you gave evidence before this committee this morning?—A. I did not have it.

Dr. W. J. ROCHE, recalled.

By Mr. Bowman:

Q. Dr. Roche, as Chairman of the Civil Service Commission, are you in the habit of receiving and weighing oral statements made by people in order to arrive at a final decision, such as was arrived at in this case?—A. Mr. Bowman, we get hundreds of letters on behalf of this candidate or that candidate

from reputable citizens of Canada, including members of Parliament, and we make the stock reply their representations will be given every consideration.

Q. Yes?—A. Unless there is something vital, that is not shown on the file, I do not allow it to influence me in making my decision, if there are two candidates and it is very difficult to judge as to which of them, so far as the file shows, should be selected from the standpoint of merit. If the community at large exhibits by a very largely signed petition their wishes, they are given some consideration.

Q. But you make further investigation to find out whether the representations are true, as a matter of fact or not?—A. As we oftentimes say, petitions that way are rather viewed with a certain amount of dubiousness.

Q. Would I be correct in saying if any such representations were received and if they did bear any weight with you, as Chairman of the Commission, you would have to be very certain that the representations were true, in fact?—A. As a rule these petitions do not convey any more information by way of representations, a petition in favour of so and so or a petition against so and so: it would not be in the interest of the public service, etc.

Q. Those are put on the file?—A. Yes.

Q. And anything of that kind that may weigh with the Commission would be put on file?—A. Undoubtedly.

Q. And would be drawn to the attention of all the Commissioners so that they all might have the same information in arriving at a judgment?—A. Yes.

Q. As a matter of fact you can hardly conceive of any other situation?—A. Not unless there was something marked private and confidential to an individual Commissioner.

Q. I can understand exactly as you have stated, that you would be deluged probably with letters, you would probably receive hundreds of letters, that is quite understandable, but before the statements contained in these letters are given weight by the Commission, they are placed on record in the Commission?—A. I would say yes.

By Mr. Ernst:

Q. If oral statements were made to you, if statements were made to you orally, personally and they were going to affect your judgment in a close competition, you would communicate these to your fellow Commissioners before giving them effect?—A. That has frequently been done. If there is something vital that ought to be taken into consideration and I was getting this information and it might form the basis of one of the factors of our decision I would really think it would be my duty to inform my colleagues.

By Mr. Bowman:

Q. Not only think, but that you would have done so?—A. Yes, all of us have done it.

By Mr. MacInnis:

Q. Would not that be more likely to happen when something unfavourable came up with a candidate for the position than when there was something favourable, when a person is seeking an office or a position—I am not blaming the individual at all—it would go to a person whom he thought had authority or whose influence would be considered of value and ask them to say a word on his behalf. You would not give as much consideration to a case of that kind as you would if you heard something that would be detrimental to the position, if a certain individual got it?—A. Very true.

Mr. Bowman: I would suggest that, subject to Mr. Chevrier's questions to Mr. Tremblay on this matter—I presume he will want to ask some—we have Dr. MacTavish before the Committee at its next meeting.

The CHAIRMAN: That will probably be to-morrow afternoon at 3.30.

Mr. BOWMAN: If Dr. Camsell was available within a few minutes we could bring him to-day. We were supplied with a list of positions exempted from the Civil Service Act. I think it would perhaps be a good idea if they were incorporated in the records but more as a matter of reference because we have representations made to us by different bodies asking for different temporary positions that could be taken under the Act. I should think it could be put in as one of the appendices.

The CHAIRMAN: It is a record of positions exempted from the operation of the Civil Service Act as supplied to us, bearing date of April 5, 1932, printed as part of the appendix to to-day's report.

Mr. BOWMAN: I am not certain whether the statement supplied to us of the numbers and salaries of the temporary employees in the Civil Service was placed on file. If not, I would suggest the statement supplied to us by the Commission covering the month of March, 1931, be placed on record as one of the appendices.

The CHAIRMAN: We will have it done. To-morrow we will hear Dr. MacTavish and Dr. Camsell, at 3.30.

The Committee adjourned to meet Friday, April 15, 1932.

HOUSE OF COMMONS,

April 15, 1932.

The Select Standing Committee to inquire into appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 3.30 o'clock p.m., Mr. Lawson, presiding.

Dr. CHARLES CAMSELL, called and sworn.

By the Chairman:

Q. What are the initials, Dr. Camsell?—A. Charles Camsell.

Q. Deputy Minister of Mines?—A. Yes.

By Mr. Bowman:

Q. Doctor, you have presented a report to the Committee covering appointments, organization and promotion. Would you mind giving us a general statement with respect to, say, appointments, how they are made and generally if satisfactory, and what your relations are with the Civil Service Commission in that respect?—A. Well, in so far as the Civil Service Act is concerned, I have little criticism to make; with the principle involved in the Civil Service Act, none at all. I have had no experience with the administration of any previous Acts, but from what I do know I realize that the present Act is far in advance of anything we have had in the past. So that with the principle of the Civil Service Act I have no criticism to make. I presume the Committee sitting here is sitting for the purpose of hearing evidence with the object of determining what defects the Act has, or the regulations in connection with the Act.

Q. Quite so, so that we might recommend improvements?—A. Exactly. So that you are asking me for my opinion wth regard to the operation of the Act in certain of its details where I find there are weaknesses?

Q. Yes.—A. Now, with regard to appointments, there is one statement that I did not give you in my written submission which I would like to make here, and that is the fact that the Mines department is, very largely, a technical department composed, to a very large extent, of technical officers, with clerical assistance as well as labourers attached to it.

Q. Pardon me, Doctor, for interrupting. How many employees would there be in your department?—A. Well, 389 is the number to-day.

Q. Of that total how many would you say were technical positions, just roughly?—A. Well, I do not know that I can give you those figures very accurately, but I should say somewhere in the neighbourhood of 40 or 50 per cent of them.

Q. And the rest would be ordinary clerical positions?—A. And labourers, mechanics and so on. I was going to say that there is one statement I have to make in connection with the appointment of technical officers to the department of Mines. We find that there are delays which make it difficult for us sometimes to undertake certain work that is presented to us, and owing to the method of appointment, and perhaps having to operate under the Civil Service Act as it stands to-day, we find that though we are authorized to carry out certain investigative work in connection with mineral resources, and if there is considerable

delay in securing appointments very frequently that work goes to another organization where those delays do not prevail.

Q. Then you would say, in the first place, that with respect to appointments the point you wish to make is that the delays are too long?—A. Yes. I gave you a submission with respect to that matter in my general statement.

Q. Would you mind, Doctor, reading that into the record, please?—A. Yes. We gave you a statement covering seven years, 1925 to 1931 inclusive.

> In 1925 the number of appointments were twenty-six. The length of time required to receive the approval of those appointments was twenty-five days.
>
> In 1926, twenty-six appointments, twenty-eight days.
> In 1927, forty-two appointments, thirty-nine days.
> In 1928, thirty-eight appointments, twenty-two days.
> In 1929, forty-five appointments, twenty days.
> In 1930, fifty-five appointments, thirty-four days.
> In 1931, fifteen appointments, fourteen days.
>
> Making an average, for that whole period, for thirty-five appointments, twenty-six days.

By the Chairman:

Q. In 1930, fifty-five appointments and thirty-four days?—A. Yes. You will notice that in 1931 there were fifteen appointments, fourteen days. In that particular year most of the appointments were clerical assistants, so that the greater delay in making appointments lies in connection with technical positions. With clerical assistants the delay is not anything like as long.

By Mr. Bowman:

Q. And the statement which you furnished, in that connection you have a furher statement, have you not, Doctor? According to the memo. I have before me it is statement No. 2.—A. Yes.

Q. Have you that before you?—A. Yes.

Q. Would you mind reading that into the record, please?—A. That is in reply to question No. 2, "statement giving examples of unusual delays in making appointments, and the effect, if any, on the administration of public business." The statement that I gave to you in writing is this:—

> No record has been kept of unusual delays in the making of appointments, but it is felt that the average length of time as shown on the preceding statement is too long. This general delay is believed to be mainly due to the fact that under the present procedure all requisitions must pass through the Organization Branch for scrutiny before any action whatever can be taken toward securing the assistance required by the Department. From their experience in these matters the officials of the Mines Department have been forced to conclude that the Organization Branch has become more of a hindrance than a help in the making of appointments. The attitude adopted by the Organization Branch has been one of frank "control" and, in some cases, of actual obstruction, and in view of the fact that each requisition is scrutinized and signed by the Deputy Minister or the Assistant Deputy Minister before it leaves the Department, such a policy would seem not only unbusinesslike but unnecessary. No other branch of the Commission shows any unwillingness to co-operate with the Department in these matters.
>
> The effect of this general delay is to slow up the securing of assistance when required; to introduce an element of doubt as to whether the

required assistance is ultimately to be obtained; and to necessitate the exchange between the Department and the Commission of a great deal of otherwise unnecessary verbal and written communications.

By Mr. Bowman:

Q. Have you any suggestions to make, Doctor, that would help to remedy this unnecessary or prolonged delay?—A. Well, my answer to that is, is it necessary that these appointments should go through the Organization Branch, because the Examination Branch seems to me to be the important Branch of the Commission, and with that Branch we have the fullest co-operation, and never have any difficulties.

Q. Your troubles are almost entirely with the Organization Branch?—A. Yes.

Q. Your considered opinion is at the present time that it has become more a hindrance than a help in the making of appointments?—A. Yes.

By Mr. MacInnis:

Q. Was your department ever reorganized by the Organization Branch?—A. Only partly, just certain phases of it, not fully.

Q. In what respect was it organized? To what extent was reorganization carried out by the Organization Branch?—A. Well, that was done, I think, about 1920 or 1921, when the Mines Branch, which was one of the main branches of the department, was reorganized by reducing the number of divisions and consolidating the work in a smaller number of divisions.

Q. Is the delay in the filling of vacancies or in the appointment to new positions in your office, or in both? Is the delay occasioned by the Organization Branch? Does it refer to the filling of new positions, or to the filling of vacancies?—A. Mostly in the filling of new positions.

Q. My reason for asking that question is that I take it there will be no necessity for the Organization Branch giving their approval to the filling of vacancies?—A. I should not think so. Where a vacancy exists, the position that has been classified, it seems to me it is hardly necessary for the Organization Branch to come into the picture in that respect.

By Mr. Bowman:

Q. Does it come into the picture?—A. I believe it does.

By Mr. MacInnis:

Q. You have had reorganization of your department and I can quite understand in a case of that kind, that the Organization Branch should feel that it should scrutinize any new appointment.—A. Quite so; where there is a new position to be created, yes. In the filling of a position that has been created already, there is where I do not think it is necessary.

Q. I am inclined to agree with you. Mr. Putman, the chief of the Organization Branch, appeared before the Committee, and made a suggestion as to the amalgamation of various departments where there is map-making, and also engineering. His statement in that connection was this:—

> Mr. Foran, in his evidence last week, touched very briefly upon savings which might result if a vigorous policy of reorganization were carried on in the government departments. There are two or three outstanding places where I think there is overlapping in government departments.

Then, he refers to five or six government departments which carry on surveying and map-making——A. Yes.

Q. Is there any surveying and map-making in your department?—A. Yes, there are two classes of surveying in our department, geological surveying, which does not have any contact with any other department; topographic surveying, that is to say, the system of surveying which produces the base map for geologists to work on. We do come in contact there with other departments who are making similar kinds of maps.

Q. Have you given the matter of the amalgamation and the co-ordination of these services any thought?—A. I have given some consideration to it, but this was some time ago. I think it is desirable that there should be some consolidation of topographic mapping services.

Q. Would you be prepared, either now or at some future time, before the Committee ends, to put before the Committee what your conclusions are in that regard?—A. Yes, I would. Not at the moment, because I think I would require to collect my ideas on the matter; because it is some time since I have given thought to that question. Of course, the argument that is put up by some of our own officers in the Mines department for the maintenance of a topographic unit in our organization, is that very frequently our topographers and geologists work together in the same field, and, for that reason, it is better to have those classes of men under the same administrative control, rather than to have the topographer who is working in the same field with the geologist, under the control of a different department from the geologist himself.

Q. Have you discussed the matter with the heads of any other departments?—A. No, I have not: if there is to be any kind of consolidation of topographic mapping, I would make this observation. The department of Mines is perhaps the biggest user of topographic maps of any department of government; it is not the biggest producer of topographic maps, but is perhaps the biggest user of topographic maps. And we use topographic maps, not only produced by our own department, but by the Interior department and the department of National Defence as well.

Q. Do I take it from that, if there was a consolidation or an amalgamation of mapping services, you think it should come under your department?—A. Yes.

Q. You would be agreeable to that? At some future time, before the Committee finishes its works, we can have your views on that, if you will be good enough to give them.—A. Yes.

By Mr. Chevrier:

Q. Just on this last aspect of amalgamation. I understand you to say that your Department is the greatest user of topo. service maps—topographic surveys—topographical surveys of the department of what?—A. The Interior.

Q. And you are a special branch?—A. No, we are a separate department.

Q. A separate department altogether, the Mines department?—A. The Mines department.

Q. Taking care of geology?—A. Yes.

Q. I think that you and I are agreed that it has been a moot question for some years, the amalgamation of those various activities. Did I understand you to say that these various surveys could well be amalgamated and placed under the jurisdiction of the Mines department; namely the topo. surveys, and the military surveys.—A. No, I do not think I would include military surveys.

Q. I understood you to say, "including National Defence."—A. Yes, as producers of topographic maps. I referred to them as producers of topographical maps.

Q. I have had a very great interest in those maps, and have been a reader of those maps for many years. I think they are very worthy of attention, because they are most educational. Do I get you right when you say that your department is the Mines Branch?—A. Mines department.

Q. That the Mines department could prepare the geological maps on which would be included the topographical features, and at the same time the strategic points,—all on one map?—A. The procedure is this: before we make a geological map, we must have a topographical map as a base on which to work. The topographical map must be produced first of all.

Q. Who makes the topo. map?—A. We do some of it ourselves.

Q. Who else?—A. The Interior department does some of it also. We use both our own topographical maps and topographical maps produced by the Interior department, as the base for our geological maps.

Q. Well, can you then run this triangulation in with the Geodetic?—A. That is a separate branch, again, of the Interior department.

Q. What help, if any, is that to the geologist in the way of locating his deposits of minerals?—A. Well, the Geodetic Survey must first of all provide control for any topographic map; they are the first people in the field.

Q. In other words, they provide the spider's web wherein all those other things are put?—A. Yes.

Q. That is my concern, because it came up in 1924, Doctor, this amalgamation of the surveys, and I could not get it into my head that you could place it under the one direction. If it could be done, to effect savings in expenses, well and good, but it has not been shown to me yet where all of that could be done by one survey, the Geodetic Survey and the Geological Survey, and the Topo. Survey, the Hydrographic Survey and the National Defence in the way of strategic points all in one. We naturally think of the various points of strategy. You cannot very well put a strategic point on a copper deposit. I am still open to conviction, but it has never been shown how it could be done.

Mr. BOWMAN: I do not see how that would necessarily follow, that you would have to put a strategical point of defence on top of a map showing ores and minerals. You would prepare different maps, but the basic work would be done in the one department.

By Mr. Chevrier:

Q. How would you do it, Doctor? I quite agree with Mr. Bowman; I quite agree that what Mr. Bowman says is perfectly right. They are all experts in their line, take the aerial survey, which is the most interesting one. How would you blend the head of the aerial survey with the geological survey?—A. I would not. My idea is not to put them under the same branch, but in the same department, so that they are under the administrative control of one minister.

Q. Well, there may be something in that, but it is those vague words that convey confused ideas. However, I may be anticipating. If you can, at some future day, before the Committee rises, give us some idea as to how that could be done, I would be very glad. If I may just go into the other branches of your evidence, I understand that in the clerical positions you have no difficulty in the way of appointments. I understand that in the technical positions you say it takes an average of 26 days for the technical appointments.—A. That includes all appointments, clerical as well as technical.

Q. I suppose you are most concerned with the technical appointments?—A. Yes.

Q. Is there any great length of times in the appointment of technical officers?—A. The statement as I have given, as I say, covers both clerical and technical positions; I have not separated them.

Q. There would be an average of 26 days.—A. Yes.

Q. Is there any way in which that could be simplified?—A. The simplification—

Q. With regard to the 26 days, that is in connection with the appointments to the technical branches of your department.—A. Yes. You had evidence the other day from the President of the National Research Council on that question. Why not follow his practice?

Q. I do not know, Doctor. I am not arguing against it. Could you say that you could make appointments that are just as good as those that have been made in less than 26 days?—A. Yes, I should say so.

Q. And following out the merit system?—A. Yes, following out the merit system, for this reason: that the members of the department of Mines are concerned with the mineral industry, and are in touch with the men connected with the mineral industry. We are in touch with the sources of supply of men who go into that industry; that is to say, the universities. We are also very closely in touch with the organizations which use those men; and if we have an appointment to fill, we can pretty well say where we can get that man, without having to go through a great deal of routine—

Q. So you would like to be placed on the same footing as Dr. Tory?—A. I am not prepared to answer that question, because I am not so fully in touch with Dr. Tory's method as that; but I know that his method is much more elastic than ours.

Q. Could you let the Committee know just what procedure you would follow rather than the present one?

The CHAIRMAN: I think he has already indicated that, has not he?

By Mr. Chevrier:

Q. What would it be, Doctor?

The CHAIRMAN: He says it would be the same procedure as that followed by Dr. Tory.

The WITNESS: I say I do not know the details, exactly, as to how he makes his appointments; but I know the facility with which he makes his appointments, and it is much greater than ours.

By Mr. Chevrier:

Q. He has nothing whatever to do with the Civil Service Commission?—A. No.

Q. That is exactly what you would like to have?—A. No; I do not think I would want to be divorced entirely from the Commission, because the Civil Service Commission has a function in establishing eligible lists.

Q. I thought you would come to that.—A. Yes.

Q. That is the only thing?—A. Yes.

By Mr. Bowman:

Q. You would like to have a little more elasticity in the appointment of technical men?—A. Yes.

By Mr. MacInnis:

Q. You said, I think, a moment ago, that you are in touch with the universities, the source from which those men are appointed, and as a position becomes vacant, you know pretty well where to lay your hands on a man who would fill that position?—A. Yes.

Q. Well then, if you knew where the man was to be found for this vacancy, and if you are going to fill that vacancy on the competitive basis, you would have to advertise, and allow more than this man to know about it, would you not?—A. That is the present system, yes.

Q. Yes it is. You told, I think, Mr. Chevrier that you could fill the position in the same way, or on a competitive basis, according to merit, the same way as done now.

The CHAIRMAN: No, he did not include the competitive feature. He included the merit feature, but not the competitive feature. That was his whole point.

Mr. MACINNIS: He cannot have the merit feature, without the competitive feature, because he is leaving out everyone else except the man he has in mind.

The CHAIRMAN: No. I carefully gathered your idea and tried to summarize it. You are not opposed to the Civil Service Commission?

The WITNESS: No.

By the Chairman:

Q. But you should have the opportunity of saying that John Jones, whom you may take in your department, is duly qualified for that position.—A. Quite so.

Q. You do not want to be held up while they advertise all over Canada for anybody who may apply, and then be told that John Jones does not rank as high as somebody else with some oral test set by some board of engineers, or somebody for a board of engineers, whom you have never seen, and to whom you have had no opportunity of talking.—A. I think that summarizes my position.

Mr. MACINNIS: That is a very dangerous position to take.

The CHAIRMAN: No, it is not.

By Mr. MacInnis:

Q. Just a moment. You are not opposed to a Commission that will agree with you when you select John Jones for that position as being well qualified to take it. That was your answer to the Chairman's question.

The CHAIRMAN: Excuse me. I do not want to interrupt you, but do not misstate the witness's answer. He did not say he was favourable to a system where the Commission approved of his choice. He said he was favourable to a system whereby, if he had the man he wanted, the Commission should have the say as to whether that man was qualified or not. If the Commisison said he was not qualified, that would be the end of the matter, so far as the Doctor is concerned.

The WITNESS: Quite so.

Mr. CHEVRIER: That is the old section 20 of the Act of 1908.

Mr. MACINNIS: He would be opposed to a system if the man taken was not satisfactory.

The CHAIRMAN: No.

The WITNESS: No.

Mr. MACINNIS: He must, of necessity, if the other one is correct.

The CHAIRMAN: I cannot see that at all. What he is in favour of is, anybody who is appointed to the Civil Service, should be certified as qualified by the Civil Service Commission, but not necessarily the man who can rank the highest in a competitive examination held by a board of examiners appointed by the Commission. That is his point, as I see it.

The WITNESS: That is right.

Mr. MACINNIS: Well, I cannot see any other way in which the Civil Service Commission can make appointments witout giving them extremely wide latitude. I admit it may not be the best, but you have to take into consideration conditions under which they work.

The CHAIRMAN: I am not arguing; I am merely trying to express Doctor Camsell's view, as I understand it.

By Mr. Bowman:

Q. Now, with regard to promotions, Doctor. I have been looking over your return on which there are recorded 140 promotions, and out of those, there are 139 without examination. There is just one written examination, in all the promotions.—A. Yes.

Q. Have you any recommendations to make with respect to promotions? At the present time the ratings are made by the Civil Service Commission and your own department. You might just explain what procedure is followed. —A. Would you like me to read this statement I gave you?

Q. Yes.—A.

> In the making of promotions within the Department, the part of the Deputy Minister is as follows: Under the merit system, all vacancies arising are filled whenever possible by promotion. The decision as to whether any vacancy is to be filled by promotion or by a new appointment rests, subject to the observance of this principle, with the Deputy Minister.

There is a variation there, I believe, from the terms of the Civil Service Act.

Q. I was just going to ask you about that. That is, you decide whether a new appointment is to be made, from the outside, or promotion made.—A. Yes. Under the Civil Service Act, I understand that the prerogative rests with the Commission; but in the practice that we have been following, it has been with the concurrence of the Commission transferred to the deputy minister.

> The Deputy Minister also recommends whether the promotional competition shall be confined to the staff of the branch in which the vacancy has arisen, or shall be open to the department as a whole. He may, again, recommend to the Commission that the promotional competition be extended to the entire Civil Service or to the service at Ottawa, and in either case his recommendation is likely to be followed.

Q. Now, when you say "likely," you mean to all practical intents all the time?—A. Yes. Our experience has been it has been followed.

> The practice in the Mines Department is to leave the rating of candidates on promotional competitions to the branch heads, that is, the applicant's present efficiency is rated by his present chief, and his fitness for the promotion is rated by the chief of the branch in which the vacancy occurs. In cases where these are two different officers, the second rating, which is fitness to fill the position, is made only after both officers have conferred. Both ratings are then submitted for review to the Deputy Minister who, before endorsing them for transmittal to the Civil Service Commission, closely scrutinizes each rating, and satisfies himself that each applicant has received fair and just consideration with regard to each of the factors rated.
>
> The rating of applicants for promotion is a particularly delicate matter, and one from which it is difficult to entirely separate the human factor. The rating system now used by the Civil Service Commission has been gradually improved during the past decade, and is now possibly as good as any humanly devised system could be. By it the responsibility is shared between heads of branches with personal knowledge of the applicants, the deputy minister who has their files and records at his disposal, and the Civil Service Commission. The statement to which the rating officers are required to subscribe, is of a character that no one can make lightly and without honest consideration.

Q. Now, with respect to your department. Would I be correct in saying this, that the promotion is, shall I say, formally decided upon by your depart-

ment and approved by the Commission?—A. Perhaps that is not the correct way of putting it, but I think I might say, insofar, as I know, in every case the rating made by the department has been concurred in by the Civil Service Commission officers.

Q. As a matter of fact then, the promotions are really handled by the Department?—A. Yes.

Q. Except that they are subject to the approval of the Commission?—A. Yes.

Q. Now, in answer to Mr. MacInnis, you mentioned something about an organization that took place, I think, sometime in 1920 or 1921?—A. Yes.

Q. Was that organization planned by your department, or by the Civil Service Commission through you?—A. It was done jointly by the department and the Commission.

Q. That was back in 1920 or 1921?—A. About 1921, I think.

Q. And as a result of that amalgamation you have now a department of about some 300 Civil Servants?—A. Yes.

Q. Now, your department is one which is more or less closely knit. I have been trying to get an idea as to what would happen if vacancies occurred through deaths, or resignations, or marriages, or some such similar cause, and about what proportion of vacancies would occur in that way, say, in a year—about what percentage of your younger staff? Have you ever figured that out, Doctor?—A. No. I could not give you the figures at the moment. The percentage is relatively small, but we could get those figures for you, if you wish.

Q. What I had in mind was this, that in the event of there being any amalgamation, or re-organization, of services, by permitting these vacancies to remain unfilled perhaps for a year or two the amalgamations or mergers could take place without many dismissals. I know it is a little difficult for you to say offhand about what percentage of the staff that would be in one year?—A. For the last two years there have been few, if any, additions to staff, and within the last year even the vacancies that have occurred are not being filled.

Q. I thought yours being a more or less small and compact department, Doctor, you could give me a definite idea as to what the percentage would be, but, as you say, of late these vacancies have not been filled?—A. Within recent months no vacancies have been filled.

Q. Now, is there any other statement you wish to make?—A. There was another observation I would like to make here and I put a note down in connection with it, and I would like to get it on the record. What appears to be a weakness in the present system is the fact that the decision by the Civil Service Commission on matters investigated by the Organization Branch must depend to a large extent on the report of the investigator. In matters of organization and reclassification the Organization Branch, in its recommendations to the Commissioners, has the last word in the presentation of the case; the department's side of the case is not presented, except through the report of the Organization Branch. This, in the final analysis, means that the decision of matters of importance is often made by the investigator without the department having had any opportunity to support its case before the Commission.

The CHAIRMAN: We had that outlined before, Doctor.

The WITNESS: Yes.

By Mr. Bowman:

Q. Your point is that the Commission makes the final decision without going back to the department for further consultation?—A. The Organization Branch submits its report to the Commission and the Commission decides its action on that report without giving the department an opportunity of support-

ing its case before the Commission. In other words, we have to speak to the Commission through the Organization Branch.

Q. Doctor, just a final question with respect to promotions. Would you, or would you not, advocate promotions being left entirely in the hands of the department?—A. As far as our technical men are concerned, yes, because I think we can rate fitness and qualifications of such men for promotions perhaps better than any other outside organization, because of the fact that we have such a large variety of technical men of whose work the investigators of the Organization Branch cannot have as full or as expert knowledge as we have.

Q. I see that you are including in the matter of promotions reappraisals.

The CHAIRMAN: That means classifications.

Mr. BOWMAN: Yes. Reclassification.

By Mr. Bowman:

Q. It would be rather difficult, of course, to have your technical men under the control of your own department in connection with promotions and to have the clerical staff under the control of the Commission?—A. Yes.

By Mr. Chevrier:

Q. Doctor, on that score, supposing that you had two equally deserving technical officers to be promoted to the one vacancy, I suppose you would do that absolutely on the individual merit of the two contestants for the promotion? —A. Absolutely, yes.

Q. Supposing that some outside influence in the way of a member of Parliament, or somebody else, was sought to be exercised, would it be taken into account if the two men were equal?—A. It should not be.

Q. Should not be, but would it be?—A. I do not think so.

The CHAIRMAN: That, I suppose, depends entirely on the backbone and uprightness of the Deputy Minister.

Mr. CHEVRIER: It might, and it might not.

By Mr. MacInnis:

Q. In view of the fact that the Civil Service Commission invariably approves of the men according to their rating, there would be nothing gained by transferring the promotions without the approval of the Commission?—A. As I said we have had in the matter of promotions entire satisfaction under the present system. The ratings we have given all men who are eligible for promotion have been accepted by the Civil Service Commission in every case as I remember it.

Q. You have everything that you could have even if the Civil Service Commission did not give you what you had?—A. We have.

The CHAIRMAN: Except that it costs the country some money for the routine of having this correspondence with the Civil Service Commission and the means that is necessary to carry it out.

Mr. CHEVRIER: It was pointed out the other day, and it was agreed, that there was some saving factor in that as well.

The CHAIRMAN: The veto power. The other side of the question, Doctor, that Mr. MacInnis is referring to is that where there is a veto power in the Commission against the recommendation of the Deputy Minister for promotion it acts as a brake, or a check against favouritism and prejudice and that sort of thing.

The WITNESS: Quite so. It does.

The CHAIRMAN: That is the other side of the story.

The WITNESS: Yes.

The CHAIRMAN: Thank you, Doctor Camsell.

[Dr. C. Camsell.]

NEWTON MACTAVISH, recalled.

Mr. CHEVRIER: May I have the indulgence of the Committee for a few moments with Dr. MacTavish. I was unavoidably absent yesterday, and I want to question him on a few matters.

The CHAIRMAN: Mr. Chevrier, we have been going through a certain formality in that we have been asking each of the Commissioners, as they appear, as to their previous occupations and so forth, and I would like to get that information from Dr. MacTavish.

By the Chairman:

Q. Dr. MacTavish, when were you appointed to the Civil Service Commission?—A. In 1926.

Q. What was your occupation prior to that?—A. Editor.

Q. Of what?—A. The Canadian Magazine.

Q. And for what length of time?—A. Twenty years.

Q. Twenty years editor of the Canadian Magazine?—A. Yes.

Q. And what were you doing prior to that?—A. I was correspondent at Montreal of the Toronto Globe, four years in Toronto on the staff of the Globe. Prior to that I had various occupations.

Q. Generally speaking, you have been engaged in journalism?—A. Yes, and twenty years as editor of the Canadian Magazine.

Q. Is that not journalism?—A. Some do not call it so.

Q. In my ignorance I thought an editor had reached the heights of journalistic ambition?—A. No, a journalist is a man without a job.

Q. Oh I have been rating them too highly?—A. Might I say this that for years the magazine of which I was editor had as its slogan—its chief slogan—"Civil Service reform".

Q. You have had an active interest in Civil Service matters for a number of years?—A. Yes.

By Mr. Bowman:

Q. You have not been editing that magazine lately?—A. No, not since I came here.

By Mr. Chevrier:

Q. But following that principle?—A. Following that lead.

By the Chairman:

Q. Then, Doctor, what were your educational qualifications?—A. Well, I had high school, up to the second form, from that lectures on literature and economics at McGill and an honorary M.A. from Acadia, and Doctor of Letters (Acadia).

By Mr. MacInnis:

Q. What does your appellation "Doctor" stand for?—A. Doctor of Letters.

By Mr. Chevrier:

Q. Doctor, have you got the file of that St. Arsène post office case?—A. The file was put in front of me now.

Q. Now, I want you, for a few moments, to skip through it. Have you got there the documents on which the three contestants in 1926, or 1927, were rated?—A. That possibly is here.

By the Chairman:

Q. So that there may be no misunderstanding about it, you have had an opportunity of going through this file and looking over it?—A. I know it pretty well. I do not know where that is.

Q. That is not my point. Since this Committee investigated this case, and evidence was taken in connection with it yesterday, we took the means to have the file made available to you this morning so you could have the opportunity of going through it and familiarizing yourself with it?—A. Yes.

Q. And you have had that opportunity?—A. Yes.

By Mr. Chevrier:

Q. That is quite possible?—A. It is a large file. I think this is it right now.

Q. In other words, have you got there the report of the district superintendent of Quebec whose name is Green, I think?—A. Mr. Tanner Green.

Q. What does it say of the three contestants for that position? How does he rate them? How does he put them out on that list?—A. Well, on his list as they appear here he has Jean Baptiste Laforest first.

Q. Will you say what the three names are?—A. Jean Baptiste Laforest; Edmond Rioux, and Mrs. Adelaide Côté-Roy.

Q. No. What are the three names listed on that document?—A. That is the first one—Edmond Rioux and Mrs. Adelaire Côté-Roy.

Q. How are they placed on that list?—A. In that order.

Q. What order?—A. That I have just read.

Q. What is it?—A. Jean Baptiste Laforest, Edmond Rioux and Mrs. Adelaide Côté-Roy.

Q. May I have a look at it. I want to save a lot of time. Now, with those three contestants there is Mrs. Côté-Roy. Was Mrs. Côté-Roy eliminated from that list?—A. Yes, eliminated from that list, yes.

Q. Will you show the document on the file that eliminates her?—A. Well, I do not know that I can readily. It is here somewhere.

Q. If it is there, I wish you would find it?—A. Can you find it, Mr. Bland?

Mr. Bowman: I think it was generally conceded that she was eliminated with good cause.

Mr. Chevrier: So much the better. She is eliminated.

By Mr. Chevrier:

Q. Now, will you just— —A. May I read this:

> I think the department should be afforded the opportunity of presenting to the Commission such representations as they may desire to make regarding the irregularities referred to in the P.M.G. letter so far as they consider Mrs. Côté-Roy responsible for same.

That is signed by the three commissioners and the information came from the Postmaster General and he concurred that she must be eliminated.

Q. She was properly eliminated. Let us forget her. Will you kindly read the qualifications as they appear against the name of Jean Baptiste Laforest and as they appear against the name of Edmond Rioux, on that sheet signed by the District Superintendent at Quebec?—A. As to Laforest:

> Educational qualifications, good; accommodation offered—in his general store; location 180 yards from present site; mail service affected.

Then it gives the decreases:

> St. Arsène and railway station, decrease $81 pro rata, or something like that. St. Arsène and Viger, decrease $4.02. St. Arsène No. 1 rural route, decrease $6.40; residential qualifications, forty-one years; experience, no post office experience; character and integrity, very good; time willing to give office, full time; whether returned soldier, no.

Q. Now, will you read about Rioux?—A.

Educational qualifications, good; accommodation offered, in his general store; location, 120 yards from present site; mail service affected, increase $54 pro rata; St. Arsène to the railway station; St. Arsène and Viger, $2.68; St. Arsène, No. 1 rural route, increase $4.27; residential qualifications, 48 years; experience, no post office experience; character and integrity, very good; time willing to give office, full time; whether returner soldier, no.

Q. As a Commissioner of the Civil Service Commission, can you say what discrepancies there were between those two men, and which of the two is the better one for the post, just for the moment, on what you have before you?—A. On the age—there is no difference—practically. I remember the ages.

Q. I do not care where the axe falls or where the chips fly?—A. On what I have here, yes; the cost is increased by Rioux over Laforest and there is a difference in the site.

Q. Can you say by how much?—A. I have read that. Not so very much. It is a decrease in favour of Laforest.

Mr. BOWMAN: About $150.

The WITNESS: It is an increase in one case and a decrease in the other.

By Mr. Chevrier:

Q. Is there anything in the individual merits of the two contestants that places one above the other, outside of the cost to the department?—A. Are you asking now as to this or to the whole situation?

Q. Just on that. Is there anything there that places the one contestant above the other on his own individual merit, as separate from the cost to the department?—A. It is exactly the same; almost word for word.

Q. The only difference, then, there is probably the cost to the department?—A. Yes.

Q. Now, tell me this, inasfar as the individual merits of these two men are concerned, they are practically equal?—A. As to that, yes.

Q. Now, then, will you now go to the file and say if there is such a document where the Commission made a disposition, or an appointment, or a recommendation, as to whom between Rioux and Laforest should be appointed?

The CHAIRMAN: Before you turn from that page, would you mark the place where the report is, because I do not want to interrupt Mr. Chevrier with a question or two?

By Mr. Chevrier:

Q. Anticipating the standing as those two contestants show on that sheet, did the post office inspector, Mr. Green, or the District Superintendent, Mr. Green, make a recommendation as to who should have the post as between those two men?—A. I do not think he did.

Q. Just look through and make sure?—A. No.

Q. Did he say what was the order of merit as between those two, or as between the three, as they originally stood?—A. He does not here; whether he did any other place or not—

The CHAIRMAN: Oh, yes; read the report. The report starts off—

WITNESS: I am subject to correction "the candidates ranked in order of merit from a post office standpoint are"—

By Mr. Chevrier:

Q. Did Mr. Green place those three contestants in any order of merit on that sheet?—A. Yes. I find it here.

Q. What does he say?—A. "The candidates ranked in order of merit from a post office standpoint are:"

1. Mrs. Adelaide Côté-Roy, 45 years of age, widow of the late postmaster. And it gives a description of her. I do not suppose you want that. The next is Jean Baptiste Laforest, and the next is Edmond Rioux.

Q. Is there any concluding recommendation or rating?—A. Not here.

Q. Does he place them in any order of merit?—A. He gives that as to candidates in order of merit from a post office standpoint.

Q. From a post office standpoint, these three are in order of merit. Now, as it appears from that document, it being admitted that Mrs Côté-Roy was eliminated subsequently for good and valid reasons, is there anything on there, on that document, that would bring your mind as a Commissioner of the Civil Service Commission to decide between the two men as to who, in order of individual merit, irrespective of post office standpoint, should have the position?—A. On this document?

Q. Yes.—A. No.

Q. Now, turn to a document—if there is such on the file—where the Commission has taken a decision as to whom, between Rioux and Laforest, should be appointed?—A. I have that.

Q. What does it say?—A. No, I guess they have not come to a decision.

Q. Is that the original document whereby the Civil Service Commission, through its three Commissioners, decided who should have the post?—A. Yes.

Q. Let us start off by the Chairman. What is the Chairman's decision or recommendation?—A. The Chairman says: "And Mr. Laforest has been placed second in order of merit, and his site reported more central than Mr. Rioux'—the former costing the department less than at present, and the latter costing more,—his education and experience being, to say the least, equally as good as Mr. Rioux', I am in favour of Mr. Laforest's appointment."

Q. Now, if there is a recommendation on that document, in whose favour is it?—A. Mr. Rioux'.

Q. Is there a recommendation from Commissioner Tremblay?—A. Yes. He has signed under my initials.

Q. So that the result would be that you and Mr. Tremblay recommended the appointment of Mr. Rioux, but the Chairman, Dr. Roche, dissented?—A. Yes.

Q. Now, when the Commission decides upon the question of merit, does the Commission, or not, take into account only individual merits of the contestants as they appear, or does it take into account, as might arise in this case, the cost—the highest cost that would follow in the appointment of the one rather than the other? Does that factor enter into the merit of the case?—A. No.

Q. In other words,—I can follow it up now that you have said that—correct me if I am wrong—merit, as I understand it, is merit on the standing of the individual candidates irrespective of cost to the department or otherwise?—A. Yes.

Q. That is—correct me if I am wrong—that capacity, or adaptability, of the applicants to fill the position, irrespective of cost?—A. Yes.

Q. Is that it?—A. Yes.

Q. Now, on that file, is there anything that decided you—I cannot ask Mr. Tremblay—I will ask Dr. Roche—

The CHAIRMAN: We will have Commissioner Tremblay back for you, if you like.

Mr. CHEVRIER: So much the better.

By Mr. Chevrier:

Q. Is there anything on that file that constituted a factor to determine your judgment to swing to Rioux rather than to Laforest, taking into account Mr. Green's recommendation?—A. The age.

Q. The what?—A. The age of Mr. Rioux.

Q. That militated, I presume, in favour of Mr. Rioux' appointment?—A. Yes, taking into account the fact that Mr. Laforest was 62 and getting near to the retiring age ordinarily.

Q. To what extent does the recommendation of Mr. Green, or any other departmental officer, influence your mind in making a selection when candidates are about as closely—not rated because there is no rating—but as closely similar as they are? In other words, are you bound to accept the recommendation of the Inspector or do you use your own judgment?—A. The Commission, as a whole, judges very frequently from the recommendation or the statement of the District Superintendent.

Q. Now, is there any other factor on the file that contributed to your judging Mr. Rioux a better man to fill the position than Mr. Laforest, outside of the factors you have mentioned already?—A. I do not think there is anything else.

Q. So that, in the exercise of your own discretion, if I take it so, you appointed Mr. Rioux to the position?—A. Yes.

Q. For the moment that is all I have to ask. Of course, there is the further aspect of the second appointment in 1931 with which I am not presently concerned. I am only concerned for the present with the original appointment of 1926 or 1927?—A. 1927.

Q. If anything comes out of it, I reserve my right to examine the witness again on the later appointment.

By the Chairman:

Q: I can say, from what you have just said, that the factor in this case which caused you to favour the appointment of Rioux in place of Laforest was age?—A. Largely.

Q. Is there another factor?—A. I cannot recall any.

Q. None at the present time?—A. No.

Q. And the reason that age was such a factor was because Laforest was approximately 60 years of age at that time and the other man was approximately what?—A. Laforest was 62 I think. The other man, as I recall it, was 47—or 48.

By Mr. Bowman:

Q. Does that appear on the file?—A. I think so.

By the Chairman:

Q. That would be a difference in age of about 15 years?—A. Yes.

Q. That is, the factor you had in your mind was that the retiring age being 70 years the man whom you chose was about 15 years further away from that retiring age than the man who was recommended by the post office inspector?—A. Well, we are loath to appoint a man getting on towards the retiring age, if there is a younger man equally qualified.

Q. And would that apply in all cases?—A. Not necessarily.

Q. Then you do distinguish between different cases?—A. We may have other applicants. Here are two men only. We have only two candidates.

Q. Take a case where you have two candidates only and one man's fifteen years younger than the other, would you always prefer the younger man over the older?—A. I might not. I might if it were a matter of age only.

Mr. CHEVRIER: Mr. Chairman, with the permission of the Committee, I would like to have included in the record the letter of Mr. Coolican, dated October 4th, 1927.

The CHAIRMAN: Very well, Mr. Chevrier.

The Secretary,
Civil Service Commission,
Ottawa, Ont.

Re—St. Arsène

Dear Sir,—Referring to previous correspondence regarding the vacant postmastership at St. Arsène, Que., your file 37614, permit me to inform you that the matter has again been brought to the attention of the Department.

It is noted that the office has been in the temporary charge of Mr. Edmond Rioux for a long time, or more exactly since the 11th November last, and that no complaints have since been received against his management.

It is noted also that there is very little to choose between the different candidates and, under the circumstances, considering the satisfactory management of the Acting Postmaster, it seems that the interest of the Service would be well served if he were confirmed in his position.

The Department would be pleased to have a certificate in this case as soon as possible.

By the Chairman:

Q. If I take up with you, as soon as we are concluded with this, a case in which I think we can eliminate all the factors except age, and show you where you signed a certificate appointing a man who was exactly 15 years older than the man whom the Post Office Inspector had ranked ahead of him—A. That might well be.

Q. —then your statement you have just now made would hardly fit the situation.—A. I would have to know what the situation is.

Q. I will give you an opportunity, because I intend to take it up in a moment. Then I am to understand from you, Dr. McTavish, that the one factor in this case of Rioux of St. Arsène post office which caused you to favour the appointment of Rioux over the Post Office Inspector's recommendation of Laforest, was the matter of age.—A. Well you say the Inspector's recommendation. If he had made one, which he didn't—

Q. What do you call what he made? A report?—A. It is a report, or what we call standing in order.

Q. Standing in order of merit is what he calls it "from a post office standpoint."—A. You see we have not yet established an order of merit. The Civil Service Commission are the ones who establish orders of merit. The Inspector makes the recommendation, he is an employee, for the time being, of the Civil Service Commission.

Q. Then can we take this appointment as the establishment of merit by the Civil Service Commission in this case?—A. Yes.

Q. We can take that as a standard of merit can we?—A. I do not know that you can take it as a standard, but you can take it as of merit, in my opinion.

Q. Did you ever see Rioux, ever meet him?—A. No.

Q. Any representations made to you on his behalf?—A. No.

Q. Did your fellow Commissioner, Tremblay, ever speak to you about the approving of Rioux' appointment?—A. If he did, I do not remember it.

Q. You have no recollection of his telling you of the matters of which he had been advised?—A. No.

Q. Had you seen the letter that is on the file from Hon. Mr. Veniot, Postmaster General, asking for Rioux' appointment?—A. I do not remember seeing it, although I might have at the time. I saw it this morning.

Q. Your explanation of your judgment in this case, then, in its final analysis, comes down to this; that in spite of the fact that the Post Office Inspector had pointed out that Laforest had the more central site, in spite of the fact that it was going to save $150 odd a year in postal expense, based solely on the difference in these men's ages, you favoured the appointment of Rioux?—A. I have said that we have nothing to do with the cost of the service.

By Mr. Bowman:

Q. Surely you do not mean that?—A. That is a matter of departmental administration.

Q. One of the functions of the Civil Service Commission is to deal with matters of reorganization and classification and matters affecting cost.—A. If that is the case, it is a peculiar thing that in practically every post office file that comes before us we do not know of the changes in cost.

Q. Whether it is a peculiar thing or not, you surely do not want to tell us that knowing about it, as you did, having it pointed out to you, you disregarded it, because you say it has no part in consideration of merit.—A. Yes.

Q. Do you mean to say it has been the practice of the Commission not to take into consideration the costs to the Government?—A. That is a departmental matter.

Q. I am asking you about the Commission, not the department.—A. Not to my knowledge, no.

Q. Your Commission has paid no attention to matters of cost?—A. I would not say that, but for a matter of that much I would say no. In other words the question of cost does not come in.

Q. You say that the matter of cost does not come into it?—A. Yes.

Q. Is that the case in regard to all matters that come to the attention of the Commission, that the matter of cost does not receive consideration?—A. Oh no, the matter of cost, according to the deputies you have had here, is a matter very much in dispute as to the Civil Service Commission and the departments.

Q. Why was it not a matter for the Commission here? Why was this the exception?—A. Might I put it this way; we make an appointment, and if the department finds it necessary to send that appointee about the country in the administration of his duties we know nothing about that.

Q. But you were not sending anyone about the country here. You were establishing a position well known to the Commission and to everyone. You were appointing a postmaster to perform certain duties, and that appointment might save $150. That is one thing— —A. Do you see this, that the department if they were not satisfied with the appointment of the man on his merit, because it was costing more money, could reject him? They have that privilege.

Q. Then you say, in this particular case, the matter of cost received no consideration by you?—A. It did not from me.

Q. And the site of Laforest was the best?—A. I do not know. Apparently it was closer to the station. It saved money.

By Mr. Chevrier:

Q. How much?—A. Well, there was a difference. It is sufficient to say it made a difference of $150 in the transfer of the mail.

Q. But how much by the file? One is $180, and what is the other? $320?

The CHAIRMAN: What is on the file is a difference in cost of $152.37 a year.

Mr. CHEVRIER: It also says the difference. Why not give the difference?

The CHAIRMAN: The Government pays in dollars.

Mr. BOWMAN: And the file says something else. It says that the village municipal council forwarded to the department a resolution suggesting that this very post office be transferred from Mr. Rioux' place to Mr. Laforest's place.

Mr. CHEVRIER: In what year?

Mr. BOWMAN: 1931.

Mr. CHEVRIER: But we are only dealing with 1926. I have not yet gone into 1931.

Mr. BOWMAN: That is all right, but the other file does show that there was a recommendation from the village council that this post office be transferred to Mr. Laforest's place, because of the convenience to the people of the village.

The WITNESS: There is a letter from someone here saying that that resolution had been passed, but I do not think the resolution is here.

The CHAIRMAN: Will you look at the recommendation of the Chief Examiner of the Civil Service Commission in which he points it out— —A. Are we on 1931?

The CHAIRMAN: On 1931.

Mr. CHEVRIER: I do not think, Mr. Chairman—and Mr. Bowman is the last one who would not be fair with me—I thought we would deal with the 1926 appointment first, because to my mind that is the whole crux of this case. I am not much interested in 1931. But if we are going to deal with the subsequent one, I should like to examine the witness on that. But let us get the dates.

The CHAIRMAN: There is nothing to prevent your doing it, Mr. Chevrier.

Mr. CHEVRIER: Well, mention the date of that resolution, that will satisfy me.

The WITNESS: If I can find that letter.

Mr. CHEVRIER: It does not affect the first appointment.

Mr. BOWMAN: It only shows this, that the people of the village supported the recommendation made by the Post Office Inspector in 1927, showing that Laforest's place was the most convenient, the most central.

Mr. CHEVRIER: You can do anything you like with the 1931 appointment. I was only concerned with the question of merit in 1926.

The WITNESS: I am afraid I cannot find it.

Mr. BOWMAN: It is sometime in 1931.

Mr. CHEVRIER: But that had nothing to do with the appointment in 1926.

By Mr. Bowman:

Q. Did the question of site have anything to do with the matter of appointment as far as you are concerned?

The WITNESS: Not as far as I am concerned, because I hold that it is not the function of the Commission to make that a chief factor.

Q. And absolutely the sole thing taken into consideration by you was that the one man was about 15 years older than the other?—A. Well I saw that of course, but I make this reservation, that it was five years ago and I do not remember the details. Since that time 60 thousand files have passed through my hands. With the document in front of me that is the reason, as I see it.

Q. That seems to be the reason. There is nothing that presents itself to your mind other than that, in going over the file?—A. No.

Q. And you saw neither of these men?—A. No.

Q. What is the revenue derived from this post office?—A. $298 at that time. It has nearly doubled, or more, since.

Q. So you did not think that in an appointment to a post office where the revenue was $298 a saving, or an additional expense of $150 should be taken into consideration?—A. As I say, that has not been a factor with us. I did not so think in this case.

Q. And you say that is not a factor with the Commission?—A. It is not with me. My colleagues may see differently.

By Mr. Chevrier:

Q. On that document signed by Mr. Green, the District Superintendent of the Post Office in Quebec, I think you will read:

> Standing in order of merit from a post office standpoint. Will you see if those are the words?—A. "The candidates ranked in order of merit from a post office standpoint."

Q. Will you tell me if anything appears in the qualifications of Laforest with regard to post office experience?—A. The Inspector says, "no post office experience."

Q. Will you tell me whether from that document there appears anything with reference to post office experience with regard to Rioux?—A. "No post office experience."

By Mr. Bowman:

Q. Now that memorandum with respect to post office service, the man who made that report was also an officer of the Commission?—A. Yes.

Q. That is, the post office Inspector, in making these ratings, not only makes them as a post office inspector from the Post Office departmental point of view, but he makes them on behalf of the Commission?—A. Well, we do not know what the Post Office standpoint might be, but he is acting for the Commission, in a capacity, at the moment.

By the Chairman:

Q. Dr. MacTavish, are not the words of all recommendations, or reports, which you receive from postal superintendents, couched in the same language as that?—A. Oh no. Very many of them are.

Q. Every one I have seen is. In that very report of the District Superintendent that you have before you, from which Mr. Chevrier has had you read, does it not set out that Laforest's site is more centrally located in this town or village?—A. Well it may do that.

Q. Will you please look at the report? You had nothing else on which to base your judgment except that report, according to your own statement.—A. I say it reduces the cost—

Q. Never mind the cost please, we have dealt with that. Will you read the report and tell me if it is not set out in that report that the site of Laforest is more centrally located than that of Rioux?—A. It says here as to Laforest, "his premises, although not as centrally located as that of Mrs. Roy, are on the station road, nearer the Parish Church."

Then as to Rioux it says, "he is qualified for the postmastership at St. Arsène. If he is appointed the post office will be kept in his store, which location is not as central as the other candidates'."

Q. Now, when Mr. Chevrier was talking about you recommending Mr. Rioux' appointment, he kept using the word "recommend." As a matter of fact the Commissioners were making an appointment, were they not?—A. No, we approved of the appointment.

Q. Whose appointment were you approving in that case?—A. Rioux'.

Q. When you say you were approving the appointment, nobody had previously made any had he?—A. But a man is not appointed until he is put on the job by the Post Office.

Q. So while you were approving of Rioux' appointment, the effect of it was to appoint him?—A. Well unless—

Q. Unless the Post Office vetoed your approval?—A. Or rejected him.

Q. And you knew perfectly well they would not reject Rioux when the Postmaster General had been writing the Commission asking for his appointment?—A. I would assume that.

By Mr. MacInnis:

Q. Did you know of the statement made by the inspector that the Laforest location was more central, before you made the appointment?—A. I possibly did. I do not recall that. If I did, I do not consider that was my function.

Q. You would not take it into consideration?—A. No. Might I qualify that? Unless the department wrote to us and said it was not satisfactory. I make that qualification.

Q. But the department, in this case, through the inspector, wrote to you and stated it would be more central, which would mean more satisfactory from a post office standpoint?—A. Well I would not regard that as a factor in this case.

Q. You did not take that into consideration?—A. No.

Q. You read the report of the inspector, I presume, before you gave a decision on the case?—A. Oh, well I would, yes.

Q. Did you read the part of it wherein he pointed out that there would be a saving to the Government of $150?—A. Yes, that is here.

Q. You had read that?—A. Yes.

Q. But you would not take that into consideration either?—A. No.

Q. The reason you would not do that, I think you said, is that if both of these factors were equal and the department thought them worthy of consideration, they could decline to accept the appointee?—A. Quite so. There is this other element that probably you have not thought of; if a man is appointed and the department notify him that his site is not satisfactory he may, having received the appointment, provide a satisfactory site. That is a possibility. That is one reason why I think the Commission should not take into consideration the site, unless the department officially notify us that the site of so-and-so is not satisfactory. And it would apply in that case.

By the Chairman:

Q. But, in this very case, did you not pass a unanimous judgment of the whole Commission in 1931 and change the postmastership back from Laforest, whom the Postmaster General had appointed, because Rioux had now obtained a site directly opposite the one of Laforest?—A. Now you are switching back to 1931?

Q. No, I am switching your mind back to an answer which you have just made to a fellow member of this Committee?—A. No, my mind is not changed—Pardon me, I say I approved of Rioux' appointment a second time, on his qualifications, as originally I did.

Q. That is not what the judgment says that is recorded there. Turn to it.

By Mr. MacInnis:

Q. Do you not think that with the department the matter of cost and the matter of location would be a factor?—A. Oh, certainly with the department.

Q. Then in making your appointments, other things being equal, would you not try to make an appointment that would meet the wishes of the department in the matter of site and cost?—A. Well I said in my examination the other day that ultimately a department must be "suited." Some exception has been taken to that, but I still hold that, that ultimately the department must be suited.

If the department should not be suited with, say, Rioux in this case, they could have rejected him on the ground that it was costing too much or that his site was not satisfactory. And we would have appointed the only man left.

By Mr. Bowman:

Q. You could not possibly reject Rioux on this ground, because the site was not satisfactory or the cost not satisfactory, because the reverse happened to be the case, the site of Laforest was the best and the cost would be less if it were given to him.—A. Of course, Mr Bowman, you jump from one appointment to the other.

Q. No. I am answering your argument.—A. I thought we were talking about the appointment in 1927.

Q. But you were talking about cost. Mr. MacInnis was talking about cost. Cost is under discussion now.

By Mr. MacInnis:

Q. In making an appointment, all other things being equal, would you not save the Crown, of which you are a servant, $150 if opportunity offered itself?—A. Not to appoint a man that I thought was inferior in merit to the other.

Mr. Bowman: Where is the inferiority in merit here?—A. As I say, in age.

The Chairman: Anything more, gentlemen.

Mr. Chevrier: I have nothing more to ask Doctor MacTavish on this 1926 appointment. It may be that later on, with the permission of the Committee, I may take up the 1931 appointment, but to my mind it was just a question of the merit. At present I have nothing more.

By the Chairman:

Q. Dr. MacTavish, I have another case I wanted to bring before this Committee. It will not take long to get the facts. Do you prefer to remain here, now you are here, to save us bringing you back?—A. What is the case?

Q. The appointment of postmaster at Burlington?—A. I will hear it now.

The Chairman: Who is most familiar with this file? I will take whoever is most familiar with the file.

Hon. Dr. Roche, re-called.

By the Chairman:

Q. Dr. Roche, if you will please turn to the back of the Burlington file so we will get the history. Is it a fact that the vacancy in the postmastership at Burlington, Ontario, was notified to the Civil Service Commission by the department, January 16, 1928?—A. Yes.

Q. Is it correct that the report of the District Superintendent of the Post Office department, dated March 8, 1928, was forwarded to the Commission?—A. Yes.

Q. Is it correct that according to that report the candidates were set out, from a post office standpoint, in the following order of merit; 1. Vickers M. Peart?—A. Yes.

Q. Thomas M. Waumsley, 2nd?—A. Yes.

Q. McCall, 3rd?—A. Yes.

Q. Francis T. Nevin, 4th; William MacFarlane, 5th; Harold Kearse, 6th; Fred B. Ghent, 7th. Is that correct?—A. That is correct.

Q. Of those seven candidates I believe that Thomas Waumsley rated second and Harold Kearse rated sixth were entitled to the returned soldier preference?—A. Yes.

Q. Then is it correct that Waumsley was selected by the Civil Service Commission, by reason of his being entitled to the returned soldier preference in June, 1928?—A. Yes.

Q. And was he notified that he had been selected, and if so on what date?—A. He was notified, and I see a letter here of November 13, 1928:

> Referring to the vacant postmastership at Burlington in connection with which you issued a certificate favour of Thomas Waumsley, returned soldier, I wish to inform you that instructions issued for the transfer of the office to the charge of Waumsley as postmaster, but communication has now been received from him declining the appointment.

Q. That communication is dated November 13, 1928?—A. Yes.

Q. Is there anything on the file to indicate what caused the delay between June and November?—A. Well, I do not know just what caused the delay. I see a letter here from Waumsley, under date of November 2, to the District Superintendent.

Q. In which he said he could not accept the position, because he had obtained another permanent appointment in the meantime?—A. Yes.

Q. But there is quite a lapse of time between June and November, and I am wondering if there is anything on the file to indicate, or if you can tell me, the cause of the delay?—A. Well, I notice here also a letter from Mr. Gaboury, I do not know whether this is the letter you referred to before, under date of April 24, 1928, enclosing the report of the District Superintendent.

Q. But what is bothering me is the delay between the actual selection of the man and his refusal. In other words, the thing was apparently in the air from June to November. I am wondering if there is anything that indicates what caused the delay?—A. Well there is nothing on the file to indicate any delay on the part of the Commission.

Q. I am not suggesting that?—A. Any delay that occurred, very likely the department would know about it, but there is nothing in this file.

Q. Anyway the Commission were notified November 13, 1928, that Waumsley, the first man entitled to the returned soldier preference, would not accept the position?—A. Yes.

Q. Then the next thing that happened was that on February 9, 1929, the Commission then selected Kearse?—A. Yes.

Q. Quite properly, the next returned soldier according to order of merit who was entitled to the returned soldier preference?—A. That is right.

Q. Can you tell me what caused the delay in selection, from November 13 to February of the next year?—A. I see a letter here of December 19, 1928, to the Secretary of the Commission:—

> With further reference to the vacancy in the postmastership at Burlington, would you be kind enough to suspend action in this case until further advised by the department.

Q. Then I believe there is a letter from the department, not quite a month later, saying to proceed with the appointment?—A. January 16, 1929.

Q. The department asked you to proceed with the appointment?—A. Yes.

Q. Then the department was responsible for the delay from December 19 to January 16. Can you tell me what caused the delay in Kearse's appointment, he being the next in order of merit entitled to the returned soldier preference, from November 13 to December 19, when the department stepped in?—A. I do not know just why there would be that delay.

Q. Nothing there to indicate?—A. I cannot see anything, in a hurried glance.

Q. I may say I went over the file carefully and I could not see anything. I thought you might be able to give me some explanation. Then, having selected Kearse, on the 9th of February, 1929, you were subsequently advised that the

man had died on February 1, 1929, 9 days before he was selected?—A. There is a letter here from Mr. Gaboury, under date February 19th:—

> I wish to inform you that the District Superintendent at Toronto now reports the death of Mr. Kearse, which occurred on February 1.

Q. That removed from the list all the candidates who were entitled to the returned soldier preference?—A. Yes.

Q. And left ranking in order of merit; 1-Peart; 2-McCall; 3-Nevin; 4-MacFarlane; and 5-Fred D. Ghent?—A. Yes.

Q. Then, on February 9, the same day the department notified you of the death of Kearse, they also forwarded to the Commission an application for the position from another returned soldier.—A. That was not included in this list.

Q. Not included in this list?—A. Mr. Wyeth.

Q. I don't know the name. I just made a note, one.—A. Yes, March 4.

Q. Again on February 21, the department forwarded you another application from another returned soldier for the position?—A. Yes.

Q. Is that one there?—A. I do not see it on this file, nothing more than this one.

Q. Just have a look and see if you can find it.—A. Oh, there may be. What date was it?

Q. The 21st, February 21, 1929. They sent you one on February 19, and another one on February 21,—A. It is on this file February 21, yes, Mr. Bayliss.

Q. Then Dr. Roche, I should like you to look at the recommendations of the chief examiner to the Commission, which bears date February 25, 1929. Would you please read to the committee the recommendations of the chief examiner?—A.

> A certificate in favour of the appointment of Mr. Harold Kearse, O.A.S., to the above position issued on the 9th inst.
>
> A communication is now at hand from the Deputy Postmaster General, immediately hereunder, informing that the district superintendent of Postal Service at Toronto reports the death of Mr. Kearse, which occurred on the 1st of February, and requesting that another certificate be issued.
>
> In view of the fact that this position was advertised over one year ago, the Examination branch is of the opinion that it should be re-advertised, and recommends accordingly.

Q. Then Doctor, there is endorsed in that document the respected judgments of each of the members of the Civil Service Commission?—A. Yes.

Q. Would you read first to me the judgment of Commissioner MacTavish?—A.

> As the certificate for Mr. Kearse was issued so recently as February 9, 1929, and as Mr. Kearse died on February 1, 1929, I see no reason for readvertising; but I approve of the appointment of Mr. Fred D. Ghent.

Q. Now, Dr. Roche, Mr. Fred D. Ghent was the fifth in order of merit of the civilians left on that list at that time, was he not?—A. Of the civilians?

Q. The returned soldiers entitled to preference having been disposed of.—A. Well, I do not think he was fifth; I think he was seventh on the list, including returned soldiers.

Q. Yes, originally, but the two returned soldiers, Waumsley and Kearse having been disposed of.—A. Yes.

Q. That left him fifth in order of merit on that list?—A. Yes.

Q. Excluding those who were returned soldiers, but non-residents.—A. Yes.

Q. Does Dr. MacTavish give any reason in his judgment there for picking the fifth man on the list in place of the first man left in order of merit?—A. I do not see anything on the file.

Q. Then, Dr. Roche, you have written a judgment dealing with the matter. Would you be good enough to read that to the Committee?—A. Well, I approved, in the first place, of the recommendation of the Examination Branch.

Q. You originally approved of the recommendation of the Chief Examiner that the position be readvertised?—A. Yes. Then, it went to my colleagues and this notation of Dr. MacTavish was made, to which Mr. Tremblay subscribed.

Q. By merely initialling it.—A. Yes.

Q. He did not write any formal judgment of his own?—A. No.

Q. Then, Dr. Roche, would you read your judgment?—A. Later, when it came back to me, as it always does, if there is any dissenting, I put this note on:

> Since this position is not to be readvertised, although more than a year has elapsed since previous competition, I cannot understand why the candidate who was placed first in order of merit (Peart) the only applicant with Post Office experience, and with such an excellent report from the Post Office Inspector and district superintendent, has been passed over in favour of Mr. Fred Ghent who was placed below Peart and others in order of merit.

Q. That is March 6.—A. Yes, 1929.

Q. Is March 6 also the date of the judgments of Dr. MacTavish and Mr. Tremblay?—A. Well, 5th March it was entered in the minutes.

Q. I presume that the judgment which you just read was then, and still is, an expression of your view that the first candidate should have been appointed?—A. Well yes; I have seen no reason to change my view.

Q. Then I should like you to look at the report for a moment, put in by the district superintendent or post office inspector, which is found in folder 38386-G. Look at the report he made on Patrick L. McCall. He sets out there, I believe, that Patrick L. McCall was a railway mail clerk who had 20 years' experience in the Civil Service of Canada, and that he was a returned soldier.—A. He, I think, was one of those who was eliminated.

Q. I do not know whether he was or not?—A. Yes.

Q. He ranked seven among all of the civilians, but he was a non-resident. —A. Yes. Patrick L. McCall, a returned soldier, not a resident of Burlington.

Q. Probably I should ask you this. Did the advertisement which went out advertising this as an open competition state that it was limited to residents of Burlington?—A. Oh, it always does; it is open to the patrons of the office.

Q. Is it set out in the advertisement?—A.

> Position vacant—Post Office at Burlington, applications are invited from residents of Burlington and district, possessing the necessary qualifications for the position of Postmaster at Burlington.

Q. Then, Doctor, after we eliminate McCall, because he was a non-resident, I notice there is another man on the list, ahead of Fred Ghent, whose name was Francis T. Nevin?—A. Also eliminated for being a non-resident.

Q. He had been a resident of Burlington for four years. It states that he still owns his home there, but he has had it rented while he has been away working in the Veterans' Hospital in London.—A. I see in his form here, under residential qualifications, resident four years in Burlington previous to going to London, where he has resided for the last four and a half years.

Q. If you look at the report of the Post Office Inspector, you will see he sets out the man's name, and his views and opinions with respect to him. I would like you to tell me, if he does not point out there, that this man Nevin still owns his house in Burlington, and that he has had it rented while he has been living in London.—A.

> Nevin is a man, 39 years of age, who lived in Burlington for four years before going to the hospital in London where he has been for the last

four and a half years, and in which he is now employed as stockkeeper. There are 500 patients in this hospital, and his work is of some importance. He still has his house in Burlington, which he has rented since leaving there. Mr. Nevin came from Ireland 15 years ago, where he had served in the Postal Service for 11 years, from which he resigned to come to Canada. His wife also was an employee in the Postal Service in Ireland for 25 years. Mr. Nevin is well and favourably known in Burlington, and his present characteristics are above the average. He has a striking personality, and is active and energetic. His knowledge of Post Office work should be a very considerable factor in the consideration of his application. The building at present occupied as the post office will be available for any of the applicants for this position. Mr. Nevin is prepared to give full time to the duties of the office, and he would be assisted by his wife in the performance of the duties. He is a returned soldier, having been in England and France, where he was wounded, causing the amputation of his left leg below the knee. He is therefore, disabled to the extent of 65 per cent. He is able to move around actively, and his disability would not interfere with performing the postal duties, if appointed. He is married and has no children.

Q. Then, Dr. Roche, will you also read, for the purpose of putting on record the qualifications of Vickers M. Peart, who was first in order of merit, among those not entitled to the returned soldier preference.—A.

Vickers M. Peart, is a young man, 21 years of age, son of the late postmaster, who was born in Burlington, and has lived there ever since. He has had a good education, being in public school 9 years and high school 2 years, after which he entered the Royal Bank as clerk, where he had worked for 4½ years, and in addition assisted his father in the Post Office in his time off from the bank. He is at present acting Postmaster, having carried on the Post Office since his father's death in a most satisfactory manner. Although only 21 years of age, he is of a serious-minded disposition and very steady in his habits, and has been very carefully brought up by his parents. Every confidence can be placed in his integrity and honesty. His mother died a few years ago, and now he and his brother are the only members of the family left. They reside within a few yards of the Post Office; the house having been owned by the father, will now become the property of the two boys. The applicant is very highly esteemed in the locality, and his appointment to the position would be a popular one. His banking experience and Post Office experience together eminently fit him to carry on the work of the office in a satisfactory manner. Mr. Peart is not married; and is not a returned soldier, having been too young to enlist.

Q. Now, Dr. Roche, I deliberately got from you the qualifications of McCail and Nevin first so as to separate them as they were actually non-resident at the moment. Now, that you have given us the qualifications of Mr. Vickers M. Peart, who ranked first in order of merit and who is a resident, would you next read the qualifications of William MacFarlane, who ranked fifth in order of merit among those who were actually resident in the municipality?—A.

William MacFarlane is a young man, 37 years of age, who has lived in Burlington for 5 years, during which time he has worked in Hamilton. He came to Canada from Glasgow, Scotland, 17 years ago; and has been employed in various places as salesman in connection with the Shoe business. For the last 5 years he has been employed as inspector with the Firestone Tire & Rubber Company of Hamilton, Ont. Mr. MacFarlane has had a good education and a long business experience, which should

eminently fit him in carrying on the work as Postmaster. He writes a very fine hand; and his personal characteristics are above the average. He has excellent certificates from former employees, copies of which are herewith. Mr. MacFarlane owns the house in which he is living in Burlington, where he has resided for five years. He is married, and has six children. He is not a returned soldier.

Q. Then, Doctor, would you now read the postal inspector's report on Mr. Fred D. Ghent, the man who was appointed by this majority decision?—A.

Fred D. Ghent is a man, 52 years of age, who has lived in Burlington all his life. He has always been employed at farming and has been elected to various positions by the local authorities. He, therefore, stands high in the estimation of the residents. He has had a good education, and is also a good business man. His farm is on the outskirts of the town, and he has therefore, been in close touch with the residents all his life. He is popular, and bears a very high character. He would be quite capable of carrying on the Post Office in a satisfactory manner. He is married and has three children. He is not a returned soldier.

Q. Now, Dr. Roche, just before you leave that report, would you please glance back again and let us look at the factor of age which has arisen again here. I observe from that report that Mr. Peart is 21 years of age, the first on the list?—A. Yes, 21 years of age.

Q. Then, the second on the list, eliminating the returned soldiers, and eliminating non residents, is William MacFarlane, 37 years of age?—A. Yes.

Q. And thirdly, eliminating all these other people, the man who was appointed was 52 years of age?—A. Yes. So the file says.

Q. One other thing, Doctor. Is there anything there to indicate the revenues of these post offices?—A. That will be in the advertisements for the year ending 31st March 1926, salary and allowances $4,042.29.

Q. That is not the revenue but the amount of money which the postmaster received?—A. Yes.

Q. $4,042?—A. Yes.

Q. That is all I wanted to ask Dr. Roche. Does any other gentleman want to ask Dr. Roche any questions?

Dr. MacTavish, recalled.

By the Chairman:

Q. Dr. MacTavish, you have heard the record read from the file of this appointment at Burlington in which there are no reasons given for your judgment in the matter. Do you wish to offer any explanation to the Committee as to why the third man in order of merit was picked in preference to the first and second; and, when I say third, I mean after the elimination of the returned soldier candidate and those who might be disqualified for non-residence?—A. Yes. I can speak only for myself, not for Commissioner Tremblay.

Q. No. We accept that?—A. He has agreed with me on that. Now, you had Dr. Roche read the qualifications of the several applicants, and here in the inspector's report is the further information that Mr. Ghent had three years at business college at Hamilton and he was a gardener and fruit grower, and in one instance he is given as a farmer. The inspector says that he was a gardener and fruit grower all his life, had been in town council four years, reeve, four years, mayor of Burlington, one year. Those are the qualifications largely that I approved of his apointment over the only man I considered as a competitor, Mr. Peart.

Q. Are those the only factors which influenced you in that judgment?—A. No. I think that a post office of that importance should not be put in the hands of a man of 21 years of age as compared with one of 52.

Q. In this case it is a disadvantage to be young instead of old?—A. Too young or too old, yes.

Q. What about the man who was 37 years of age?—A. I did not even consider him a competitor as against Peart and Ghent. I might make this observation, Mr. Chairman: The inspector who went to make these ratings—I do not wish to reflect on the inspector, and I am not reflecting on the inspector—but we have to take this into consideration that in making his report on the candidates he was quite convinced no doubt—he would have reason to believe that no matter what he said about the civilian candidates a returned soldier would get the appointment. His experience would lead him to that conclusion, and therefore, he might not—I do not say he was not—but, he might not be as particular about his reports as he would have been, if they were all civilians. And there is a further possibility of his having become acquainted with the young man during his visits there and that a friendship or personal acquaintance had grown up. I do not say that, but that is a possibility, and I take that into consideration. I thought then, and still think, that Mr. Ghent was the choice for that appointment.

Q. And is that another reason, Dr. MacTavish, that you want to give us for basing your judgment to pick the third man in order of merit—the possibility that the inspector might have become friendly with his first choice in order of merit?—A. No, Mr. Lawson. This is not a list in order of merit. There is no list of order of merit until the Civil Service Commission establishes the list. It is not a list like the others.

Q. You can call it what you like Dr. MacTavish, but the fact remains that for the purpose of making these appointments the system which the Civil Service Commission used is to take an official of the post office department and to make him, for the time being, an official of the Civil Service Commission and send him out to rate these candidates in order of merit?—A. Yes.

Q. That was what was done in this case?—A. Yes, in his own opinion.

Q. In his own opinion. That is right. That is all we ever get on any oral examination in connection with the Civil Service?—A. I, finally, as Commissioner must rest on my own judgment.

Q. That is right; but now what we are trying to determine is the value to this country of your judgment. That is one of the things we are trying to determine here?—A. I rest my judgment on this case.

Q. Now, Dr. MacTavish, let us stop a moment. This man is sent out as an official of the Civil Service Commission and makes this report. Does that report not start off the same as the others by saying they are the listed candidates in order of merit?—A. It is similar, although the arrangement is different from the one we were talking about a few moments ago.

Q. The point I am interested in is that you knew when you had the documents before you and made that appointment—you knew that the opinion of the post office inspector who was then acting as an officer of the Civil Service Commission, was that Peart ranked first in order of merit and that MacFarlane ranked second?—A. Yes. But I did not agree with him.

Q. I am not saying you agreed with him. That is obvious from the result. I say that you had that before you, did you not?—A. Yes, exactly.

Q. And you knew at the time that was the opinion of the man who had been sent out by the Commission to rate those who were in the order of merit according to his opinion?—A. I knew that, yes.

By Mr. Bowman:

Q. Did you see any of these candidates?—A. No, sir.

Q. The inspector had seen them?—A. Well, his report would indicate that. I do not know.

Q. That is the practice, is it not?—A. For the inspector to see them?

Q. Yes?—A. We insist on that, where we can.

Q. Is it not the practice?—A. Where we can.

Q. Is it not the practice of the Commission?—A. I did not see the candidate.

The CHAIRMAN: You did not see the candidate, the inspector did.

By Mr. Bowman:

Q. I mean the Commission's representative, the post office inspector in this case?—A. We practically insist on it. We had some trouble, in Quebec, with the very District Superintendent whose case we were considering a few moments ago, but generally speaking we insist on the candidates being interviewed.

Q. In this case I presume the post office inspector did see the candidates?—A. I presume so.

Q. And it was from his personal inspection that the ratings were made?—A. I presume so.

Q. And it was because, or on the basis of the opinion furnished by him, that you changed the rating?—A. Yes.

Q. And you say that it rather entered your mind that perhaps the post office inspector in this case might not have been very particular?—A. Well, Mr. Bowman, there is that possibility, and I, as a Commissioner, have of my judgment of the circumstances come to the conclusion as to what man I feel is the best entitled to qualify for this position.

Q. But what made you, in your own mind, think that the post office inspector might not have been very particular?—A. Well, the mere fact, as I say, that the returned soldiers—there were two qualified returned soldiers, and he would know that we would appoint a returned soldier if he were qualified, and, therefore, he might not be—I made a qualification as to that—he might not have been so particular as he would have been if there had been all civilians.

By the Chairman:

Q. Dr. MacTavish, if that were so and you had that in your mind, is that not the strongest possible argument why you should have accepted the recommendation of the Chief Examiner, approved of by Dr. Roche, that this position be re-advertised and returned soldiers given an opportunity to come in on it?—A. I did not make that inference.

Q. I am not making any inference. Stop a moment. You just answered Mr. Bowman by saying that because—you had in mind that because the post office inspector in making his ratings would have thought that a returned——A. Might have thought.

Q. All right. Might have thought that a returned soldier would be sure to get the position and therefore would not be so particular about his other ratings in placing these men in order of merit, and therefore you felt disposed to depart from his views or opinions. Now, I say is that not the strongest argument in the world why you should have adopted the recommendation of the chief examiner which was concurred in by Dr. Roche, the Chairman of the Commission, that this position should have been re-advertised and then you would have had a re-appraisal of all these men by the post office inspector?—A. It was not my opinion that we should re-advertise it so long as we had qualified men still in the competition.

Q. Even when you were questioning their merit qualification, the order of their merit qualification?—A. The order is established by the Civil Service

Commission. I say that this man Ghent, and I thought so then, was better qualified for that position than Peart.

Q. We realize that. What we are trying to get at now is what were your reasons and how reasonable were they?—A. They are there.

By Mr. Bowman:

Q. There was some doubt in your mind about the correctness of the report of the post office inspector?—A. Oh, no. I have made a qualification that I do not like to criticize.

Q. Is there no doubt in your mind?—A. I think he did not rate the best man highest. I thought so then and I still think so.

Q. Is there any doubt in your mind as to whether or not he had properly fulfilled his duties?—A. Oh, no.

Q. None?—A. No, except as I say that he did not rate the best man highest, according to my opinion.

Q. Why do you sort of make a conjecture that he might not have been very particular? What was there to found that conjecture?—A. On the fact that, as I say, the two soldiers—the soldier preference was eliminated. If that had been the case in the first instance he might not. It is conceivable, and I do not charge it. He might not have made the same rating. In my opinion, of those who were left, Mr. Ghent was the better man of the two.

Q. And you say there was then the possibility that he might not have been so careful?—A. Yes that is possible.

Q. But is it a probability, or a bare possibility?—A. No probability.

Q. Then why do you bring these matters to the attention of the Committee, if there was no probability?—A. I said it is conceivable—or I did not use the word conceivable, I said it is a possibility.

Q. But these matters weighed in your mind?—A. Yes.

Q. This possibility did weigh in your mind?—A. Yes for the reason that I wondered why this man who had been in that community so many years, 52 years of age, established there practically all his life as far as I know, who was four years, I think, Reeve, and had been councillor as well, and not only that, but mayor of the town, there is a man of considerable substance in that community, it was my opinion then that that man, of the civilians, was the man best qualified for that position.

Q. Do you not think that in a case of this kind, where there was a difference of opinion between the Chairman and yourself and Mr. Tremblay, it was worth making some further inquiry to justify the final choice to a position of the importance of this one?—A. Well I know I should not ask questions, but what further inquiry? Do you mean readvertise?

Q. No, make further inquiry, perhaps from the Post Office department.

By the Chairman:

Q. Why not send for the Inspector's report?—A. Well the report is here, and on the face of his report in my opinion Ghent was the better man.

Q. In spite of all the post office experience the other men had, one 11 years in the Irish postal service, the other working in it since he was a boy?—A. But you must take into consideration the man's age, he is 21, and that is pretty young to put in a post office of that size.

By Mr. Bowman:

Q. What about the man who is 37?—A. In my opinion he was eliminated by both of them. I told you I do not consider Waumsley—

The CHAIRMAN: We are not talking about Waumsley, we are talking about MacFarlane.

By Mr. Bowman:

Q. What eliminates MacFarlane?—A. I did not think he was as good a candidate as either Peart or Ghent. If I had to do it over again a second time I would give it to Peart even over Waumsley, notwithstanding the age.

Q. Over Mr. MacFarlane?—A. I say Waumsley, but I mean MacFarlane.

Q. There again 37 and 21 do not make any difference coming down to your ratings?—A. That is what I considered.

Q. You said if you were giving the ratings over again you would put Peart ahead of MacFarlane, or second, which?—A. Ahead.

Q. So that his age as against a man of 37 did not make any difference?—A. Well his qualifications are superior to MacFarlane's in my estimation.

Q. Where does the question of age come in in these matters?—A. Against the other qualifications of Ghent.

Q. So that we are to take it generally that as far as the ratings of the Inspector of the Post Office department, who is also an officer of your Commission, are concerned, they do not amount to much?—A. Oh most of the time we take his reports. But you probably have not noticed that the other appointment, at St. Arsène, the department there apparently, we might assume, was in favour of Rioux, and I was.

The CHAIRMAN: You had a letter from the department telling you that? —A. But in this case the department also was in favour of Peart, they put him in as the acting postmaster, and the Inspector was in favour of him too, notwithstanding that my opinion is not with the department as it was in the case of St. Arsène. So that the departmental view does not prevail always.

By Mr. Chevrier:

Q. I suppose you have the right to exercise some judgment?—A. I must exercise my judgment.

Q. To what extent are you bound by these recommendations by Post Office Inspectors or Agricultural Inspectors, or any kind?—A. We are not bound at all.

Q. When a list for merit is established, who establishes it?—A. When it is approved by the Civil Service Commission.

Q. Let me get that right, because it is most vital. Can you speak with authority to tell the Committee when does a list of merit become the established list of merit?—A. When it is approved by the majority of the Civil Service Commission.

Q. And not until then?—A. Not until then.

By the Chairman:

Q. And in the case of rural postmasters there are no written examinations, no oral examinations—A. Oh yes, oral.

Q. Wait a minute. What oral examination was set these men?—A. This Inspector went out—

Q. That is just what I was going to say. There is nothing on which the Commission can base its opinion to establish a list of merit, other than that Inspector's report, is there?—A. Oh yes.

Q. What else did you have before you in this case?—A. I had a record of the various applicants.

Q. Who made the record?—A. They themselves.

Mr. BOWMAN: Their applications?—A. Their applications and their experience and history.

By the Chairman:

Q. Is there anything in the application that disagrees?—A. The Inspector who made this did not appoint Ghent mayor of Burlington.

Q. I am trying to keep the political aspect out of this thing—A. There is not any in it, as far as I am concerned.

Q. I am not saying there is, I am trying to keep it out?—A. Yes, I think you are.

Q. To come back to my point; in the appointment of rural postmasters there is no eligible list in order of merit established. All that happens is, one man is chosen and appointed to the job, is not that it?—A. Yes.

Q. And the getting of that job meant a salary and allowances of $4,000 odd a year in this case?—A. Yes, it is a good, big important post office.

Q. Then there is no oral examination, no written examination, there is nothing except the candidate's application form plus this report from the temporary official of the Civil Service Commission?—A. The Inspector orally examines each candidate.

Q. But I am distinguishing that from the oral examination we have heard about here, where you set up a board of three men and so on.—A. It is not the same.

Q. So in the case of postmasters there is no such thing an an eligible list in order of merit?—A. No.

By Mr. Bowman:

Q. Is that correct?—A. Oh yes, we appoint only one. We cannot appoint two.

The CHAIRMAN: That is what I say.—A. No, there is no list.

Mr. CHEVRIER: I call your attention to this: subsection 2 of section 21 of the Act says that the Commission shall thereupon appoint the person whose name stands highest on the Commission's list of eligible persons.

The CHAIRMAN: I am not interested in that. What I am interested in is that in this so-called competitive merit system the man who, after everyone else is eliminated for some cause, ranks third becomes first in order of merit; according to Dr. MacTavish he would rank the first man second and the second man third.

Mr. CHEVRIER: I see no objection to that, unless you consider that the Commissioners are "rubber stamps."

The WITNESS: I was just coming to that.

By Mr. Bowman:

Q. In this instance when you received the application for the position at Burlington the Commission sent out an Inspector to interview the applicants?—A. Well the Post Office would send him, the District Superintendent, but in effect, yes.

Q. That examination by the Inspector would be an examination of these applicants, wouldn't it?—A. I have just said that. He interviews them. Accepted as oral examination.

Q. When you have other examinations the examiners place on the list the applicants in the order in which they made marks in their examination?—A. Yes.

Q. And in the same way the Inspector that you send out places them on the list in the order in which in his opinion they would qualify for the position?—A. But those are different lists.

Q. I know, but the principle is the same?—A. No, it is not the same.

Q. In what way does it differ?—A. In one instance, there is a board, a sworn board, where they all agree on the list that they will recommend to the Civil Service Commission, but in this other case of the Post Office it is one man who sends in a list and the only way he makes the list is according to post office standing or rank.

Q. Well he takes all things into consideration the same as the other examiners do, and he puts them in the order as they would best qualify to fill the position.—A. From the Post Office standpoint.

Q. That is what you want the man for?—A. Yes, but that list— Well go ahead.

Q. Then in this particular case Mr. Peart was first in order of merit?—A. Yes.

Q. We have here the statement of the Chairman of the Commission, Dr. Roche, which he placed on record, let me read it again:

> Since this position is not to be readvertised although more than a year has elapsed since the previous competition, I cannot understand why the candidate who was placed first in order of merit, Mr. Peart, the only applicant with post office experience and with such an excellent report from both the Inspector and the District Superintendent—

So you must have here a report not only from the Inspector, but from the District Superintendent as well.—A. Yes. But— Pardon me, I might amplify that. The Superintendent makes the report. He might also have been the Inspector, I don't know that he was in this case, but that one case is the opinion of the other, you might take it as one opinion, one merely goes through the District Superintendent, that is the Inspector's report goes through the Superintendent to the department and then to us. So that is one report, not two reports.

Q. In other words the District Superintendent would not have anything to go by except the report of the Inspector?—A. Oh he might have. That is what he is supposed to go on, but he might have information of his own.

Q. Isn't it possible that he had information of his own in this case?—A. Yes, quite possible.

Q. Here we have not only a man who has an excellent report from the Inspector, but also from the District Superintendent.—A. No, I do not say there is a report from both of them.

Q. The District Superintendent concurs in the Inspector's report in favour? —A. Yes, if he did not concur he would not send it.

Q. So there is an order of merit that is made by the examiner who interviews the applicant?—A. In his opinion. He does not establish a list at all.

Q. He establishes a list that he places before the board so that they can understand which one he thinks best qualified to fill the position?—A. Yes. But I hold the right that I have to go on my own judgment, notwithstanding what the Inspector says.

By Mr. Bowman:

Q. Will you tell us now how you get the eligible list?—A. For the post office?

Q. Yes.—A. There is not one, except the one that is appointed. That is the list for the time being.

Q. And in other cases for civil service positions, how do you get the eligible list?—A. There are various ways. Usually where there is no written examination the list is provided by the advisory board, and that is submitted to us, but does not become a list until we approve of it. That is it is not an established list until it is approved.

Q. So that it comes up before you for approval?—A. Yes.

Q. So you check over all the ratings; the Commission checks all the ratings?—A. We might; we have that privilege.

Q. How often do you do it?—A. We check everyone. I would not say we check every candidate's report, but we must examine every file and be satisfied that it is correct.

Q. Is that correct, doctor?—A. Yes.

Q. You take an examination where you have 300 or 400 competitors. You examine the files personally?—A. I do not say that. We would have an advisory board.

Q. You had an advisory board in this case. In one case here the other day, there were 222 applications, out of which only 44 were examined.—A. That was a very exceptional one. That was at Toronto, where 44 finally came on.

Q. Did you examine each of those files, go over them and check up the ratings?—A. You know better than that, Mr. Bowman. We could not do that.

Q. I am asking you.—A. No.

Q. I understood you to say you did.—A. No.

Q. What do you do in that case?—A. We consider the report, as it finally comes before us.

Q. Yes.—A. As a final analysis.

Q. What do you do to consider a report?—A. There is a list established there. The way I do it is to see whether it is approved by the examining board, and signed by them, or the advisory board, rather, in the first place, and as the list comes in, checked by the examiners, approved by the chief examiner, I consider the disabilities cases first and after we dispose of them, the ordinary soldier disabilities and if that list apparently is in order, I accept it.

By Mr. Chevrier:

Q. In putting up those original lists—I do not want to lead you at all, but tell me if I understand it aright—

Mr. Bowman: Let me finish.

Mr. Chevrier: I am sorry, Mr. Bowman.

By Mr. Bowman:

Q. In this examination where you had 44 candidates coming in, and disability cases among them, did you go over all their files?—A. No.

Q. Did you check up the ratings at all?—A. I did not, personally, no.

Q. That was done in one of your branches?—A. Yes.

Q. When the final original list came up to the Commission for approval, it was then approved as a matter of form?—A. That is largely so, yes.

Q. Was it in that case?—A. You will see if you look at that file, that I dissented in several cases there, from my colleagues in the conduct of that examination from the beginning. There were one or two questions as to the disability entitlement of several of the candidates. I checked that over. But if the thing is obviously correct, I do not go into the matter.

Q. What do you mean by "obviously correct"?—A. Well, after it goes through all those things, and we have the cases of disability—those were disability cases, as a matter of fact, and all candidate disability cases are accepted, as a matter of fact, yes.

Q. And the list is set up by your Commission?—A. Yes.

Q. And only comes up to you for formal approval?—A. Yes, you can put it as formal approval, if you wish.

By Mr. Chevrier:

Q. Now, in the making of this situation—I do not know that I am leading, but if I am leading unduly the Chairman will check me. In making up those lists that come from the postal inspectors or the agricultural inspectors, your examiners do not treat them in the same way as they treat the other examinations that have taken place when the position is advertised, and a written examination comes into the commission, because there the processes are final, and the list is drawn up through your examination branch, and it finally comes to you.—A. The Postal Branch is different.

Q. Why don't you say so?—A. I am saying so now.

Q. I know how it is done, but I cannot get the evidence from you. I know how it is done.

The CHAIRMAN: Mr. Chevrier, nobody is suggesting—

Mr. CHEVRIER: It is not fair to the witness to leave it in that way.

The WITNESS: In fairness to Mr. Bowman, I will say he asked me fairly enough, but when I answered Mr. Bowman, I did not enlarge on it.

Mr. BOWMAN: Nobody is suggesting anything else. I do not think Mr. Chevrier is stating that.

Mr. CHEVRIER: No. However, I am not here to give evidence.

The CHAIRMAN: There is no suggestion in any place of a written examination.

Mr. CHEVRIER: We are talking about eligible lists—playing with eligible lists.

The CHAIRMAN: There is no eligible list for postmasters.

Mr. CHEVRIER: Therefore, if there is no eligible list you cannot monkey with it.

The CHAIRMAN: We are not saying you are monkeying with it.

Mr. CHEVRIER: If you take a third or the first, it does not make any difference; there is no eligible list.

The CHAIRMAN: We are talking about the order of merit list.

Mr. CHEVRIER: There is none yet.

The CHAIRMAN: You can call it what you like. The Chairman of the Civil Service Commission refers to it as the order of merit list; the Postmaster's inspector refers to it as the order of merit. He lists them from the Post Office standpoint, in the order of merit. You may change the terminology if you like, but we all know what it is.

Mr. CHEVRIER: Unless the Commission can ultimately pass on it, then, they are rubber stamps. There might as well be no Commission.

The CHAIRMAN: Mr. Clerk, would you please advise Commissioner Tremblay if he cares to appear before the Committee, to offer any evidence in connection with his judgment in this case, that we have just heard, we shall be very glad to hear him. We shall now adjourn until Monday morning at 11 o'clock.

Committee adjourned to Monday, April 18, at 11 o'clock.

The Select Standing Committee to inquire into appointments and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 11 o'clock a.m., Mr. Bowman, Vice Chairman, presiding.

Charles H. Bland, recalled.

By Mr. Ernst:

Q. Mr. Bland, in advertising a local position, such as that of caretaker of a public building, to whom are notices ordinarily sent?—A. To the postmaster in the locality, to any other public buildings in the locality, such as the G.W.V.A. or Canadian Legion hall, the employment office if there is one,—

Q. And to the head of the Legion in Ottawa?—A. Exactly, as a matter of information, and also to the department and to the local member for the constituency. I think that covers the list fairly well.

Q. They are sent out by the secretary?—A. They are sent out from the Commission, yes.

Q. Who gives instructions to the secretary's branch with reference to whom notices are to be sent?—A. There are no specific instructions given in each individual case. The procedure is to send the advertisement to public meeting places, always including the post office, in which prospective applicants would be likely to see it. That is there is a general list for all small places, including the places I have mentioned.

Q. Take the province of Nova Scotia, an advertisement for the position of caretaker, do you maintain any list of persons other than those you have told me?—A. Yes, we also maintain a mailing list of persons who ask to be notified of examinations when we are advertising for particular positions.

Q. Have you that list as to Nova Scotia?—A. I haven't it here. It is a very large list, I could gladly find out any particulars you want from it.

Q. In the month of September last you advertised a vacancy, asking for applications for the position of caretaker at Liverpool, N.S. public building. I find the notice here and I find attached to that notice in your file the following; September 19, 1931 is the date of the notice:—

Copies of poster sent to the following:—

A. P. Stoneman, Yarmouth, N.S., and Hon. Robert Irwin, Shelburne, N.S.
(They were Colonel Ralston's right and left bowers);

John Smiley, Esq., K.C., Amherst, N.S.
(This was the defeated candidate in the last federal election for Cumberland);

J. H. McQuarrie, Esq., Pictou, N.S.
(Defeated Liberal candidate in Pictou);

Peter Jack, Esq.
(Defeated Liberal candidate in Halifax);

E. J. Cragg, Esq.
(Defeated Liberal candidate in Halifax);

Hon. J. J. Kinley, Lunenburg, N.S.
(Defeated Liberal candidate in Queens-Lunenburg);

Sam Pickup, Esq., Granville Ferry, N.S.
(Defeated Liberal candidate in Digby-Annapolis);
Michael Dwyer, Esq., Sydney Mines, N.S.
(Defeated Liberal candidate in Cape Breton North-Victoria);
A. L. MacDonald, Esq., Halifax, N.S.
(Defeated Liberal candidate in Inverness);
E. C. Doyle, Esq., Arichat, N.S.
(Defeated Liberal candidate in Richmond-West Cape Breton);
Hon. D. A. Cameron, K.C., Sydney, N.S.
(Defeated Liberal candidate in Cape Breton South);
G. T. McNutt, Esq., Stewiacke, N.S.
(Defeated Conservative candidate in Colchester);
J. L. Ilsley, Esq., Kentville, N.S.
(Present member of the House of Commons for Hants-Kings);
L. D. Currie, Esq., Glace Bay.
(Who, I think, was not a candidate at the last election, but had been in previous elections).

Q. Can you explain why?—A. I would like to look at the file. The answer I would give, without looking it up particularly, would be that these gentlemen asked to be advised of any vacancy in Nova Scotia, and they were so advised, as anyone else asking for the same purpose would be.

Q. On a local appointment of caretaker, where you could only appoint a local resident?—A. Any resident of Nova Scotia asking to be advised of a vacancy of this kind would be so advised by the Commission.

Q. What I would like to find out is why these particular gentlemen were on the file, and not others. I would like to know why they would be notified of a local appointment, in any instance?—A. The only answer I can give, without obtaining information from the office, is that they must have asked to be so notified.

By the Vice Chairman:

Q. How many on that list, Mr. Ernst?

Mr. ERNST: Fifteen, representing every county in Nova Scotia,—I beg pardon, somehow Mr. Duff was left off.

The WITNESS: I will find out what the definite answer is and put it before the Committee.

The VICE CHAIRMAN: Does anyone else wish to ask Mr. Bland a question?

Mr. CHEVRIER: Not at this stage.

J. E. TREMBLAY, recalled.

By Mr. Ernst:

Q. If you will turn up the file, you will find that applications were called for first for the position of caretaker of the Liverpool, N.S. public building on January 23, 1928?—A. January 23, 1928.

Q. In response to that advertisement there were six applicants:—

"George W. Spurr, Ern. Ralph Corkum, Gilbert Smith Winters, Charles Maurice Schupe, Daniel Forrest Winters and Henry James Lake"?

A. Right, sir.

Q. George W. Spurr was given a rating of 82 per cent, Gilbert Smith Winters, 81, Schupe, 81, D. F. Winters, 78·5 and H. J. Lake, 77·5 and Corkum, 75?—A. Correct.

Q. Shupe is shown on the rating at 30 per cent disability?—A. Right.

Q. Lake has 5 per cent disability?—A. Right.

Q. Now will you look first at eligible list No. 17574. What does it say?—A. Schupe first, Lake second, Spurr third, G. S. Winters fourth, and D. F. Winters fifth.

Q. That eligible list is signed by whom?—A. Dr. Roche.

Q. It is not signed by either you or Dr. MacTavish?—A. No, sir.

Q. Will you tell me who Spurr's references were?—A. This is from a letter addressed to the Under Secretary of State:—

S. R. Forbes, Esq., c/o Madden's Pharmacy, Liverpool. A. W. Hendry, Esq., General Shipping, Liverpool, N.S. J. Ross Byrne, Barrister and Solicitor, Liverpool, N.S.

Q. Now, will you turn to the letter of February 22. You will find a notation of some reasons which you and Dr. MacTavish gave for not appointing Schupe to the position. Will you read?—A.

"I am not satisfied that either Mr. Schupe or Mr. Lake are entitled to the disability preference. Neither appear to be incapacitated to such an extent as to make them unfit to pursue the avocations which they were pursuing before the war.

Mr. Lake states that he is in good health, and Mr. Schupe says his health is fair.

Q. Is that your notation?—A. That is mine.

Q. And Dr. MacTavish's?—A.

I think we should have from the Pensions Board information as to whether Messrs. Schupe and Lake, who apparently are physically fit for the position of caretaker, could not pursue their previous occupations, as barber, the other as sea-farer.

Q. Any notation from Dr. Roche?—A. I wrote under that,

I have no objection, in fact I think it would be advisable to ask the D.S.C.R. whether or not the war disability of Messrs. Schupe and Lake is such that they are unable to pursue their pre-war occupations.

Dr. Roche dissenting.

Q. His reasons given?—A. No.

Q. Now will you read the letter written on behalf of the Commission on 22nd February, 1928, to Mr. Scammell, Secretary, Department of Soldiers' Civil Re-establishment?—A.

DEAR SIR,—I am directed by the Commissioners to ask, in regard to Mr. C. M. Schupe (regimental No. 522062) and Mr. Henry J. Lake (regimental No. 67764) applicants for appointment as caretaker at Liverpool, N.S., whether in the opinion of your department the disabilities of these two men are such as to entitle them to the provisions of subsection 2 (*a*) of section 29 of the Act, which reads as follows: The Commission shall prepare and maintain a special list of persons in receipt of pensions by reason of their services in the war who

(*a*) have from causes attributable to such services lost capacity for physical exertion to an extent which makes them unfit efficiently to pursue the avocations which they were pursuing before the war."

Mr. Schupe gives his pre-war occupation as barber, while Mr. Lake describes his pre-war occupation as sea-faring.

Yours truly,

.....

Secretary.

E. H. SCAMMELL, Esq.,
Secretary, Dept. of Soldiers' Civil Re-establishment,
Ottawa, Ontario.

Q. Is it customary in the case of appointments for you to make inquiry?—Oh, yes, if we are not satisfied that the man is or is not entitled.

Q. You make it a rule to make an inquiry?—A. Generally, I think we do.

Q. You make it a rule?—A. I think in almost every case now we refer it to the Pensions and National Health department for their views.

Q. Before making the appointment?—A. Yes.

Q. And you apply the law in this manner, that where a man is able, even though he may be out of work, if he may be able to do what he had previously done, you do not give him the preference?—A. No.

Q. Will you read Mr. Scammell's reply?—A.

OTTAWA, February 25, 1928.

Re No. 67764—H. J. Lake

DEAR SIR,—The disability from which this man is suffering is flat feet. The degree of disability was estimated at 5 per cent. He elected to receive a final payment, which was made to him on the 30th December, 1926.

Mr. Lake's pre-war occupation was that of a sailor. He made application in 1919 for a course of vocational training on the ground that as a sailor it would be difficult for him to go aloft and stay there any length of time, also to take two or three hours at the wheel. It was recommended that he receive a re-training course in interior decorating, which was granted. He does not appear to have followed the occupation for which he was trained.

Yours faithfully,

E. H. SCAMMELL,

Secretary.

Q. Anything there about him being able to continue his pre-war occupation?—A. Except that he claims it would be difficult for him.

Q. Now will you read the letter with reference to Schupe?—A.

OTTAWA, February 25, 1928.

Re No. 522062—C. M. Schupe

DEAR SIR,—I beg to acknowledge the receipt of your letter of the 22nd instant enquiring whether the marginally noted man is suffering from a disability such as to entitle him to the provisions of section 2 (*a*) of section 29 of the Civil Service Act. Mr. Schupe is suffering from chronic nephritis, a disability for which he has for several years past been in receipt of a pension of 40 per cent.

He applied in 1918 for vocational training on the ground that he could not pursue his pre-war occupation, that of a barber, because of this disability. It was considered by the Medical Officer of the Vocational Branch at that time that barbering would be a suitable occupation for a man with this disability to follow, and the course of training recommended was therefore not approved.

Yours truly,

E. H. SCAMMELL,

Secretary.

Q. What finding did you make subsequent to those letters from Mr. Scammell (eligible list No. 17648)?—A. I see here this note, I do not know whether this is my note or Dr. MacTavish's:—

"I do not consider that either Mr. Schupe or Mr. Lake are entitled to the special preference."

Q. And Dr. Roche's memorandum?—A.

I have approved of the eligible list below, because I think, from perusing the file, including the applications, that even aside from the right of Mr. Schupe and Mr. Lake to the disability preference, they are better qualified than Mr. Spurr for the position, and I feel the rating officer gave a higher rating to the latter because he has been temporarily occupying the position.

Q. Do you see anything in those letters which justifies the finding which you made?—A. Yes.

Q. You think there is not disability within the meaning of the Act?—A. I have not got the applications here, but, after looking into it, I think there is not.

Q. Now, if you will go on, you will find that the Civil Service Commission again advertised the vacancy on September 2, 1931?—A. October 1, 1931.

Q. I beg pardon, the Public Works Department asked you on September 2, and applications were called for on October 1?—A. That is right.

Q. Do you see the list of persons to whom the notice was sent?—A. Yes.

Q. Can you offer any justification for sending notice of a purely local position to all those gentlemen, and the expense involved?—A. That would be Mr. Bland's part.

Mr. BLAND: I have the information for which Mr. Ernst asked now: The practice of the Commission in such cases is to furnish copies of advertisements to any persons who ask to be kept in touch with positions of any particular kind or any particular case. This is not restricted to any political party or any class of persons. The names of the persons named on the file appear on the list of persons on the mailing list for Nova Scotia.

Mr. ERNST: Can you see any justification for sending notices of local positions like this to people in Cape Breton?

Mr. BLAND: No, I do not; for a local position, I do not see any reason for sending it outside the locality concerned.

Mr. CHEVRIER: If they have asked for it, is there any objection to sending it?

Mr. BLAND: No, there is no objection, but I do not see any reason for sending it.

By Mr. Ernst:

Q. Will you tell me what applications you received as a result of that? Perhaps I can get it a little quicker. You received, I think, 8 applications?—A. Nine.

Q. James Albert Anthony; Edwin G. Bower; Marlow Falawn; Henry James Lake, that is the Mr. Lake who was an applicant before; Alexander Parsons; Herbert L. Smith; John D. Stewart and Daniel Forrest Winters?—A. There is another, Verton Ernest Roye.

Q. I thought he was too late?—A. He is on this list, just a telegram from him.

Q. The respective ratings were, Anthony, 81·1; Bower, 80·95; Falawn, 81·4; Lake, 76·4; Parsons, 83·05; Smith, 83·95; Stewart, 72·9, and Winters, 85·25?—A. Right. Roye did not present himself for oral examination.

Q. Will you look at your eligible list of November 7, 1931, the unanimous list of the Commission?—A. There is one here marked cancelled.

Q. Whom did you nominate?—A. Henry James Lake.

Q. That is the same Henry Lake who applied in 1928?—A. I think so.

Q. You nominated him on what ground? Did he rank first in the competition?—A. I see he is rated as a disability case.

Q. Will you tell me what evidence you have to rate him as a disability case in 1931? He was not a disability case in 1928, you expressly so found after investigation, and you have the file. Tell me how you decided he was a disability in 1931?—A. I do not know who decided it. It was submitted to us.

Q. I cannot find how you decided it. There is nothing on the file to show? —A. I see a memorandum here: "Whereas Lake is entitled—

Q. You will find the same memorandum in 1928, where you expressed a doubt, and you are one of those who found he was disqualified?—A. Yes.

Q. Now I want to know what changed your mind?—A. There is a minute here, "See minutes 25/1/32."

Q. Tell me what inquiry you made in this case in 1931?—A. This is a memorandum from Mr. Bland.

Q. I am not talking about a memorandum from Mr. Bland, I am asking what inquiry you made from the D.S.C.R., if any. You will find a memorandum from Mr. Bland, in 1928, that both Schupe and Lake were disabilities?—A. No, this is a memorandum about something different altogether.

> "Henry J. Lake was successful in the competition for caretaker at Liverpool, N.S., but it was pointed out by the Deputy Minister of Public Works"——

Q. That is a different thing entirely. That has nothing to do with the question of being classed as a disability. What I want to know is what changed your mind, to make you find him a disability, in 1931, when you went to a lot of trouble to prove that he was not, in 1928?—A. Well, I did not pass on this thing, it was submitted to me and I signed it. I took it for granted he was entitled to it.

Q. On what evidence? What I want to know is why you made special inquiry to disqualify him, in 1928, and then passed him, in 1931, without any inquiry, reversing your decision. Can you give me any sound reason?

The Vice Chairman: In fact give any reason at all?

The Witness: I do not remember that it was submitted to me. It was submitted on that memorandum from the Examination Branch stating that he was entitled, and I let it go at that.

By Mr. Ernst:

Q. Can you not give any better reason that that?—A. That is all I can give.

Q. Did you have any private information, in 1928, on that case?—A. No, none at all.

Q. You were not aware that the man you selected by majority decision was the nominee of the defeated candidate of the Liberal party in Queen's County? —A. No, I didn't know anything about that.

Q. You can offer no explanation for reversing your decision, in 1931, without any new evidence?—A. No, except that I did not investigate it in 1931. I took the memorandum from the Examination Branch that they had satisfied themselves that he was entitled to it.

Q. Why did you not accept the finding of the Examination Branch in 1928? Look back and see what Mr. Bland had to say about it in 1928?—A. I did not accept it. I had the applications then and I looked into them and I was not satisfied.

Q. What did Mr. Bland have to say then?

A. Mr. Spurr secured the highest rating, but ranks below C. M. Schupe and H. J. Lake, who are entitled to the disability preference. and the application forms were submitted with this memorandum, but on looking into the application forms, and the reasons given why he claimed to be entitled to the disability preference, I thought he was not.

Q. Perhaps you would like to read the particular things that were different in 1931 in the application?—A. I have not the two here.

Q. Yes, they are all there, there is a private file of Lake's, small private file?—A. This is Lake's application in 1931.

Q. The application of 1928 is not there?—A. I do not think so.

Mr. BLAND: I do not think the 1928 application is on this file. I think that explains the difficulty, it is not here. I can send for it.

By Mr. Ernst:

Q. That is all right. I still want to know if you can give me any reason for this complete reversal of front on your part?—A. I cannot, any other reason than that I investigated in the first place.

Q. And you over-ruled Mr. Bland's judgment in the first place?—A. Yes.

Q. And also Dr. Roche's?—A. Well, he did not take that view, I did. I did not over-rule him.

Q. Mr. Scammell's letters were to the effect that the men were not re-established?—A. They were not re-established. But that is not the only reason to be entitled to the disability preference.

Q. They were both disabilities?—A. They were both receiving pension, but there must be three things——

Q. And both contended, and they had not as a matter of fact pursued their pre-war vocations?—A. No, but I claim that they can. They have to be——

Q. How did Lake become a disability in 1931?—A. Except that my attention was not called to it, and I did not notice it, I signed on the recommendation of the Examination Branch.

Q. Was your attention called to it, in 1928?—A. Nothing special. Probably the application forms were submitted to me at the time.

Q. Why did you not, in 1931, follow your usual practice of making an inquiry?—A. We did, I think.

Q. From Mr. Scammell?—A. From the Department of Pensions and National Health.

Q. Would you read the letter of 1931?—A. There is no letter, it is a form, where they state 20 per cent disability; rate of pension 20 per cent; what he has given as his pre-war occupation? Sailor. What is the nature of his present employment? Unemployed. Details of the nature of his disability as recorded on pension file? Flat feet with valgus and collosities. Whether or not, in the opinion of the department, the candidate's disability is such as prevents him from continuing his pre-war occupation as given above. Yes. Whether or not, in the opinion of the department, the candidate could, despite his disability, satisfactorily perform the duties which would be required of him in the position of caretaker. Yes.

The VICE CHAIRMAN: That is virtually the same as the report given in 1928?

Mr. ERNST: Yes, except then they did not have a form; in 1928 they got a letter.

Mr. BLAND: I would like to explain one point. In 1928, it was not the general practice to secure a report from the department of Pensions in every case, but subsequent to that date, in view of the many claims for disability preference being made, the Commissioners decided that a report should be secured on a standard form. In 1931 this report was part of the regular procedure and was submitted to the Commissioners. In 1928 there would not be such a report, unless it was specially asked for.

Mr. ERNST: And it was not generally asked for?

Mr. BLAND: It was not asked for, except when the Commissioners deemed it necessary to secure further information.

By Mr. Ernst:

Q. You issued a certificate in Lake's favour when? You got your report from Mr. Russell on the 16th October, your rating list?—A. Yes, it is dated the 16th, but reached us on the 24th.

Q. And on the 17th November you made your eligible list and issued your certificate to Mr. Lake?—A. No, I do not think we issued the certificate to Mr. Lake at all.

Q. Yes you did. You do not show it in your file, but you will find Mr. Lake refers to it in his letter. I have very good reason to know that you did.

The VICE CHAIRMAN: I think what you said before was that the certificate was issued November 17th nominating Lake because of disability?—A. Oh, yes.

By Mr. Ernst:

Q. Yes, and notification given the Auditor General?—A. Yes, on the 21st November, it is so dated. And I see he was rejected—

Q. Well, do not take any credit to yourself for that, just yet. You did as a matter of fact issue a certificate?—A. Yes.

Q. Then what happened in December?

Mr. BLAND: I do not like to interrupt, but Mr. Tremblay has not looked at this file yet, I can help him a great deal in getting the facts the Committee wants.

Mr. ERNST: Yes, do. On December 12th you got a letter from.... I do not want to mention names, it is a confidential letter from Liverpool.

The WITNESS: This is addressed to the Secretary of the Commission on the 19 December.

Q. I thought it was the 12th?—A. This is a covering letter from the department. It went to the department, and it was transmitted to us on the 19th:—

> Having reference to the appointment of a caretaker, public building, Liverpool, N.S., position No. P.W.-C.A. 3-114 enclosed is a copy of a letter received in the department. The department understands that the Commission thoroughly investigates the character of an applicant before making an appointment, and certainly if the statements made in the letter, copy of which is enclosed, are true then it would appear that Mr. Lake would not be a fit and proper person to be appointed to the government service.

Q. Well, you found out as a matter of fact that that letter made very grave allegations against the man to whom you had given a certificate, didn't it?—A. Yes.

Q. And as a result of that, then and only then, you communicated with the people whom he had given as references?

Mr. BLAND: I wish you would ask me these questions.

Mr. ERNST: Two months, I think, after, you got in communication with the references. What is the date of the reply from the references?

Mr. BLAND: January 7th, 8th and 11th, 1932.

Mr. ERNST: Almost three months after the certificate was issued?

Mr. BLAND: No, one and one-half months.

By Mr. Ernst:

Q. When did you first communicate with the references?—A. I think it was almost coincident with the date of receipt of this letter from the department, but I do not think it was as a result of that letter.

Q. On the file what is the date? It was as a result of verbal communication as a matter of fact?—A. Not altogether. It was partially that, and partially that the investigation would have been made anyway.

Q. When did you first write to the references?

Mr. BLAND: That is what I am looking for. I cannot see the date, there is one date November 21, I do not think that is correct though.

Mr. ERNST: From the replies it is obvious—

Mr. BLAND: Obvious that we did not communicate until late in December.

Mr. ERNST: Or early in January?

Mr. BLAND: Yes.

By Mr. Ernst:

Q. And when you did communicate you found the grave allegations were substantiated?—A. Yes.

Q. By the people whom he had given as his references?—A. Not altogether.

Q. Well, but two out of three?—A. Yes.

Q. And you had to revoke the certificate?—A. Yes.

Q. What good reason was there for not communicating with the references before issuing the certificate?—A. Well, the certificate we issued was temporary.

Q. I do not care, you only issue one certificate?

Mr. BLAND: No, two, Mr. Ernst.

The WITNESS: Temporary certificate and later on permanent.

By Mr. Ernst:

Q. As a matter of fact, in this particular case, the result of the commission's action was to place a man who was highly unreliable in a position of some trust?—A. Temporarily.

Q. Where he would have access to the mails, as janitor of a public building?—A. Well, he cannot very well.

Q. He could not clean the building without going around the post office?—A. I did not know whether it was a post office.

Q. It is a post office, customs office and a good many other things. The result of the commission's action would have been to place apparently a very unreliable man in that position?—A. Yes, temporarily.

Q. I want to know what good reason you can give for not communicating with the references before issuing the certificate?—A. If we did that it would delay the issue.

Q. You had almost a month from the time you received the ratings until you made the assignment—about three weeks?—A. Perhaps we should, I am free to admit, I am inclined to agree with you that we should before we issue a temporary certificate even.

Q. You will admit that the commission would have made a very grave blunder but for the intervention of outside parties?—A. Yes.

Mr. ERNST: That is all.

The VICE CHAIRMAN: Any other member wish to ask Mr. Tremblay any questions? (No response).

Q. You have not given the Committee any explanation whatever why you changed completely around as to Lake between the first and second competition?—A. Except that I signed it without looking at the application forms or going further into it, that is all.

Q. Did you merely sign it, in 1931, as a matter of form?—A. Well, I will not say that.

Q. I do not want to put words into your mouth that convey a wrong meaning, but that is what I gathered from your answer, that you signed it in 1931 as a matter of form?—A. There was then a report, and I accepted it, the report from the Pensions and National Health department with a covering memorandum from the Examination Branch, and I signed it on that, took it for granted that they had investigated it and satisfied themselves that he was entitled to disability preference.

Q. As a matter of fact they advised you in answer to a direct communication, in 1928, that Lake was entitled to the disability?—A. Well, they did, not to the same extent.

By Mr. Ernst:

Q. Schupe, in particular, they advised was a 40 per cent disability, not 30 as the application showed?—A. You stated:—

> Mr. Lake's pre-war occupation was that of a sailor. He made application in 1919 for a course of vocational training on the ground that as a sailor it would be difficult for him to go aloft and stay there any length of time, also to take two or three hours at the wheel. It was recommended that he receive a re-training course in interior decorating, which was granted.

By the Vice Chairman:

Q. Which was entirely different from his pre-war occupation?—A. Yes.

By Mr. Ernst:

Q. They only give that vocational training when they are satisfied he cannot continue his pre-war occupation. That is the basis on which it was granted? —A. I cannot say as to that.

By the Vice Chairman:

Q. Surely you can say as to that, Mr. Tremblay. This is one of the important sections of the Civil Service Act, the returned soldiers preference?—A. Not the vocational training.

By Mr. Ernst:

Q. You will find it if you read the letter about Schupe?—A.

> He applied in 1918 for vocational training on the ground that he could not pursue his pre-war occupation, that of a barber, because of this disability. It was considered by the Medical Officer of the Vocational Branch at that time that barbering would be a suitable occupation for a man with this disability to follow, and the course of training recommended was therefore not approved.

Q. Because they thought he was still able to barber?—A. Yes.

Q. Which makes it apparent that they only approve the vocational training course when they consider that a man is not able to carry on his pre-war occupation. And they tell you Lake was given his course, in other words, was a disability?

The Vice Chairman: And entitled to the disability preference?

The Witness: They do not decide that, we do.

By the Vice Chairman:

Q. What did you write that letter for?—A. To have some facts, and on them we found the judgment.

Q. And on these facts you disagreed with the facts they gave?—A. Yes.

Q. In the Lake case did you disagree.—A. I disagreed because I thought that with flat feet, he could carry on his pre-war occupation.

By Mr. Ernst:

Q. And the D.S.C.R. said he could not?—A. Yes. I did not agree with them.

By the Vice Chairman:

Q. What is the use then of referring the matter to that department?—A. Well, as Mr. Bland explained, it was not done in the same way then as now. Now we have a standard form.

Q. Now you get it as a matter of form, before it was given to you as a matter of special request for a special purpose?—A. Yes.

Q. In these particular cases, in the Schupe and Lake case?—A. Yes, we asked specially for it.

By Mr. MacInnis:

Q. Is it not a fact that the disability is much more definite in the filled-out form than in the letter?—A. Yes, it is.

Mr. Ernst: No.

The Witnesss Yes, it is.

By Mr. MacInnis:

Q. I would like to have it read again?

Mr. Ernst: In the form the answers are "yes" and "no," in the letter you get the substance.

Mr. MacInnis: I thought the letter was rather indefinite. I would like to have it read again.

Mr. Ernst: It is definite that he has the disability.

The Witness:

The disability from which this man is suffering is flat feet. The degree of disability was estimated at 5 per cent. He elected to receive a final payment, which was made to him on the 30th December, 1926.

Mr. Lake's pre-war occupation was that of a sailor. He made application in 1919 for a course of vocational training on the ground that as a sailor it would be difficult for him to go aloft and stay there for any length of time, also to take two or three hours at the wheel. It was recommended that he receive a re-training course in interior decorating, which was granted. He does not appear to have followed the occupation for which he was trained.

By Mr. MacInnis:

Q. Now read the form?—A. In the form in 1931 there are some questions answered; Details of the nature of his disability as recorded on pension file? Flat feet with valgus and callosities.

Whether or not, in the opinion of the department, the candidate's disability is such as prevents him from continuing his pre-war occupation as given above? Yes.

Whether or not, in the opinion of the department, the candidate could, despite his disability, satisfactorily perform the duties which would be required of him in the position of caretaker? Yes.

Q. Are there any other questions?—A. There are. There is the amount of his total disability, 20 per cent. His present rate of pension, 20 per cent. Has he commuted the pension? If so, what was the rate, and so on.

Q. In the first he says 5 per cent disability, and in this one 20 per cent, which I think makes a difference?

Mr. ERNST: And in both instances the department say he is not able to carry on his pre-war occupation. From the mere fact that they grant him vocational training they recognized that he was unable to go on as before.

By the Vice Chairman:

Q. In the 1931 competition Spurr was not an applicant?—A. No.

Q. Nor Schupe?—A. No.

Q. And if you had followed the same line of reasoning as you did in 1928, in making your nomintion in 1931, you would have nominated D. F. Winters? —A. You mean if we had eliminated Lake, if we had decided that Lake was not entitled to disability preference?

Q. Yes.—A. Yes.

Q. And you did not consider the matter of sufficient importance, in 1931, that you should make a written memorandum showing the reasons why you reversed the decision which you arrived at in 1928?—A. I did not know I had in 1931 that same case of 1928. The case came to me with the report of the examination branch and the accompanying report from the department of Pensions and National Health.

Q. In 1928 you did go into it, in 1931 you more or less signed the nomination as a matter of form?—A. I signed it on the recommendation of the examination branch and the accompanying report from the department of Pensions and National Health.

By Mr. MacInnis:

Q. In other words there was no connection in your mind between the two? —A. None whatever.

By Mr. Vallance:

Q. In a case like this, wouldn't you naturally go back to 1928 when you first to your knowledge held an examination, would you not naturally go back to the file of 1928 to find out what action you had taken at that time?—A. Not unless the matter was specially called to my attention that the candidates are the same. When we hold a new competition it is a new competition.

Q. So that you were not conscious, in 1931, that this man had been an applicant, in 1928?—A. No.

By Mr. Chevrier:

Q. What is the nature of this appointment?—A. Caretaker.

Q. Was it permanent or temporary?—A. Permanent.

Q. What is the annual salary involved?—A. $1,200 per annum, less quarters valued at $300 per annum.-

Q. And situated where?—A. Liverpool, N.S.

By Mr. Ernst:

Q. You admit, I suppose, that it is a peculiar coincidence that the two men who were eliminated as not being disaibilities, in 1928, were supporters of mine, and Mr. Spurr was the nominee of the defeated candidate?—A. Well, I know nothing about that.

Q. Well, in your judgment it is a peculiar coincidence?—A. It may be a coincidence.

By the Vice Chairman:

Q. Do you remember if, in the competition of 1928, you received representations from outside parties?—A. No, sir.

Q. You did not receive any, you remember that?—A. I do not remember.

Mr. ERNST: I would think it just as objectionable a coincidence if the thing were reversed, if you eliminated the men who voted against me.

By Mr. Chevrier:

Q. As I understand, there was nothing to call it to your attention that this was the same case as had already come up?—A. Nothing whatever.

Mr. CHEVRIER: I have nothing further at this stage.

The VICE CHAIRMAN: Have you any other case, Mr. Ernst?

Mr. ERNST: No.

The VICE CHAIRMAN: Have the other members of the Committee anything to take up?

Mr. MACINNIS: While Mr. Bland is here, I have received some complaints about the tardiness of the Commission in replying to communications.

CHARLES H. BLAND, recalled.

By Mr. MacInnis:

Q. I have one before me now, a letter in reference to a temporary appointment as stenographer, Grade 2. This letter was written in Ottawa, September 13th and a reply to the letter was not made until October 8th?—A. I would like to look at the case.

Q. I have had several complaints in this regard. There seems to be an undue delay in replying to letters or carrying out the decisions arrived at?—A. I do not hesitate at all to say that in certain cases I think there has been too much delay. But I would like to say that up to, perhaps, the beginning of the present year we have had about twice as much work as we could do, with the staff we had. The result has been that things have been held up. But I do not think that is the case at the present time.

Q. Did you ever have the organizers go over your department?—A. Yes, we had, that is why we lost the staff.

Mr. MACINNIS: That is all, Mr. Chairman.

The VICE CHAIRMAN: Is there any other business ready to be gone on with this morning.

Mr. BLAND: Might I make one statement, in regard to this question of whether or not appointees are properly qualified as to record for appointment to the public service. I would not like the impression to gain credence that no investigation was made in any of these cases. In the larger lists, that is lists of persons eligible for appointment to the more common classes, such as customs offices, post offices, etc., the investigation as to character is made so that it is available before appointment is made. In these particular cases, I quite appreciate the point Mr. Ernst makes. But the reason for not making it beforehand, but making the appointment subject to investigation, has been the delay and the cost. I think, under the circumstances, there are probably enough cases that we will have to do something, but out of perhaps 1,000 appointments we might have one or two cases where this kind of thing occurred. In other cases we have taken the report of the examining officer and put the man on, subject to investigation, and investigation has proved the man all right. The question that arises is whether there are enough bad cases to make it necessary that investigation be made beforehand in all cases.

Mr. ERNST: My point is this, that you put men in, as in cases like this, who may be thoroughly unreliable, in a position where he has opportunity to be

thoroughly unreliable if he desires, where he has access to the mails, or the customs office, with all their contents. I think this is just the kind of case that makes it necessary for us to do something more.

Mr. BLAND: In advance?

Mr. ERNST: In advance. I think this is the kind of case that proves that it is necessary.

Mr. BLAND: But I must say that we do not get many such cases, in fact very very few.

The VICE CHAIRMAN: Do you not think that in a case like the one before us the local member would be able to make just as good a choice as the Commission has made?

Mr. BLAND: I have made a recommendation to the Commissioners that in such cases the officer who does the examining, that is the departmental officer who examines the candidate, should at the same time make investigation as to the man's standing and record in the community, which I think would meet the need fairly well if competently done.

Mr. CHEVRIER: If we are through with this evidence, the order of reference is that we "inquire into and report upon appointments to and the direction and control of the Civil Service of Canada, and, generally, the administration and operation of the Civil Service Act." Now we have had recently some six or seven cases investigated. I am not finding fault as to how these cases were selected or how they were brought before the Committee. At all events, I knew nothing about these cases, that they were to be brought forward. I have not selected any cases, I have not gone through any records, or been advised by anyone to bring up any special case. There will be one at all events that I will call to the attention of the Committee, because it was brought out on the floor of the House, when the Prime Minister introduced this matter. But I do not like to be a party any longer to investigating special cases, because, to my mind, they prove nothing, or, at least, do not prove much, reasoning from the particular to the general.

I am going to move:

> That instructions be given and means taken to have produced before this Committee, from the Central Registry of the Civil Service Commission, the first 20 files, as they now stand, in the A's, the first 20 in the B's, the first 20 in the C's and so on through the alphabet right down to Z; that all these files be brought up here and that the Committee delve into them and deal with them.

Then having gone through such files we will have opportunity of finding whether the merit system is followed or not. But I do not think we can do it by just taking these isolated cases, because for the five or six cases brought up I can go down to the Commission and bring in 250 that were properly dealt with.

I therefore move accordingly.

Seconded by Mr. Vallance.

Discussion followed.

The VICE CHAIRMAN: I may say that, in my opinion, Mr. Chevrier or any other member of the Committee, has a perfect right to call for any files which in his opinion may be needed for investigation. That was distinctly understood from the start of our sittings—that any member would have that right and could proceed to call for and examine witnesses on the contents of any of these files, with the intention of bringing to the attention of the Committee any facts which he deems of use in our investigation. After all, it is hardly a case of our stating whether or not the merit system is right or not; I do not think that is our investigation at all; our investigation is as wide as it is set forth in the order of refer-

ence. Personally, while I am not sure of the procedure, I am of the opinion that the motion is out of order. Now, having in mind our investigation according to our reference, how are we going to bring out the facts, unless we actually get proof of the actual operation of the Act. In any event, I rule that the motion is out of order, and in doing so state that if Mr. Chevrier wants to make a request for any files he is at perfect liberty to do so.

During the early part of the proceedings, we heard evidence given by members of the Commission, but up to date, outside of what has resulted from examination of certain files, there have not been very many constructive suggestions which have been submitted to the Committee. After all, we are supposed to do our best to remedy any situation which we think should be remedied, and I would suggest that, perhaps, members of the Commission or members of the staff of the Commission might now be prepared to make some further recommendations to the Committee with a view to improving the Act. Possibly they might consider this, in the next few days, and come forward with anything new they have to offer.

The Committee adjourned to meet Tuesday, April 19th, at 3.30 o'clock P.M.

HOUSE OF COMMONS,

APRIL 19, 1932.

The Select Special Committee to inquire into appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 3.30 p.m. Mr. Lawson presiding.

Mr. C. H. BLAND, recalled.

By the Chairman:

Q. Mr. Bland, I want to prove some formal matters in regard to file number AGR-F-3327G, appointment of canning inspector at Toronto?—A. Mr. Chairman, perhaps I could deal with the first questions and then I have two of the examiners here.

Q. My purpose in bringing this file before the Committee is just to demonstrate what happens in cases of rating for experience and education, with no oral examination. Would you look at that file and tell me if that is a case in which a man is appointed to a position on rating by a rating board for education and experience without oral or written examination?—A. There is this statement, "one of the members of the Board was personally acquainted with the candidates who were selected and had some experience with them."

Q. You mean one of the members of the rating board?—A. Yes.

Q. Which one?—A. Mr. McGillivray, chief canning inspector for the department of Agriculture.

Q. All right. Subject to that qualification, it was a rating on education and experience?—A. Yes.

Q. And the position was advertised in the province of Ontario, to obtain a canning inspector to be assigned with headquarters at Toronto, so I judge from the file?—A. Yes, Mr. Chairman.

Q. Now, then, I see that under date of September 4, 1930, the department requisitioned the Civil Service Commission for the appointment of a canning inspector, Fruit Branch, at Toronto?—A. The last document is a recommendation to the Commission for the holding of a competitive examination for a temporary position as canning inspector.

Q. And that is dated the 4th of September, 1930?—A. Yes.

Q. And I think at the same time the department recommends that a man by the name of Van de Water be appointed temporarily?—A. Yes, pending a competition.

Q. Was Van de Water appointed?—A. Mr. Chairman, with your permission, if we get to the point where Mr. Garrett, one of the examiners, can be of some assistance to us, then I think I would like to bring him in. Yes, he was employed.

Q. Can you tell me from what date?—A. From September 5, 1930.

Q. Then, Mr. Bland, an advertisment was published, applications to be in not later than October 6, 1930?—A. Yes.

Q. And I believe that as a result of that advertisment some 30 applications were received?—A. Yes. I think that is right.

Q. Then, would you look at it a minute, I think, of the Examination Branch of the Civil Service Commission dated September 25, 1930, in which it is recommended that the following be an Advisory Examination Board. Whose memorandum is that?—A. That is mine, Mr. Chairman.

Q. And your recommendation was that the Examining Board should consist of G. E. McIntosh, Fruit Commissioner, department of Agriculture; a representative of the Canadian Legion; Mr. J. W. Bourbonnais, departmental Examiner, Civil Service Commission; Mr. C. E. Garrett, board Examiner, Civil Service Commission?—A. Yes, that is correct.

Q. This Mr. Bourbonnais who was designated as departmental Examiner, would he be somebody on the staff of the Civil Service Commission?—A. He is on the staff of the Commission.

Q. Then what Board actually made the rating?—A. The Board that actually made the rating consisted of Mr. McGillivray, Chief Canning Inspector, department of Agriculture, three representatives of the staff of the Commission; C. E. Garrett, G. T. Jackson, Miss J. T. Reid, and a representative of the Canadian Legion.

Q. Why were three representatives of the Commission put on the examining board in lieu of those recommended by you?—A. This is a position dealing with agricultural qualifications, and in such cases it is the custom of the Examination Branch to utilize the services of Mr. Jackson, who is a graduate in agriculture from the Ontario Agricultural College.

Q. What position does he hold in the Civil Service Commission?—A. Investigator.

Q. Of the Organization Branch?—A. Yes.

Q. And what position does Miss Reid hold with the Civil Service Commission?—A. Miss Reid is an examiner.

Q. And she is one of the examiners on the regular staff of examiners of the Civil Service Commission?—A. Yes.

Q. And what are her qualifications to deal with matters in connection with canning inspectors?—A. Well, it happens that Miss Reid is the assistant to Mr. Bourbonnais for the department of Agriculture and on that account was attending the Board.

Q. She acted in lieu of your recommendation for Mr. Bourbonnais?—A. Yes.

Q. How long has she been an examiner?—A. Practically twelve years.

Q. And especially charged with agricultural matters?—A. When assisting Mr. Bourbonnais.

Q. Now, I observe there is a memorandum there of October 24, 1930, from J. A. R.; who would that be?—A. J. G. R. I think, probably.

Q. Who would that be?—A. Miss Reid.

Q. And that memorandum suggests that the Board wanted further information on a list of names?—A. Yes.

Q. And that list of names contains the names of Burlingham, Jones and Van de Water, H. M. Snider and others?—A. And others.

Q. Then, I observe there is a memorandum of the 4th of November, 1930, signed by J. G. Reid giving a list of candidates that were rejected, and opposite their names the reason for their rejection?—A. Yes.

Q. And included in that list of names of those who were rejected is H. M. Snider?—A.

Age 48; younger men preferred.

Q. Now, in that list of those who were rejected it gives the reason opposite each one. With a very few exceptions they are all rejected by reason of not having had previous experience in this industry?—A.

No experience in the fruit canning industry.

Q. Then, Snider, by the way, was not rejected for no experience, but because he was 48 years of age?—A. Because younger men were preferred.

Q. Now, will you turn to the list of those who were selected, and I think you will find in order of merit Mr. Jones was selected first, Burlingham second and Van de Water, the temporary appointee, third?—A. Yes.

Q. Will you tell me the age of Mr. Burlingham, the second selection?—A. Forty-four.

Q. So, we can take it that Mr. Snider, without consideration being given to his qualifications was rejected at 48 years of age because younger men were preferred whereas the second man ultimately selected in order of merit was Mr. Burlingham who was only four years younger?—A. There is an explanation for that. Mr. Snider was 48 years of age and was not a returned soldier applicant. Mr. Burlingham was 44 years of age and was a returned soldier applicant, and the age limit, by the Act, does not apply to returned soldiers.

Q. Wait a moment; there is no age limit for this competition by any Act?—A. No.

Q. That does not apply?—A. It does in this sense. I know you want all the facts. This is one of the facts from the advertisement:—

> While a definite age limit has not been fixed, for this competition, age may be a determining factor when making a selection.

Q. The fact I am interested in at the present time is that one man never had a chance of being rated because he was 48 years of age, whereas another man is not only rated, but rated second in choice of order of merit, because he is 44?—A. Quite true.

Q. There is no question now. The Statute did not in any way operate in that discrimination, if discrimination it was?—A. Only in the sense that the Statute, as expressed in the terms of the advertisement, states that age is a determining factor.

Q. It says age has not been fixed but may be a determining factor?—A. It was, as a matter of fact.

Q. The limit for age was drawn somewhere between 44 and 48?—A. It was drawn according to the judgment of the departmental representative as to what the maximum age limit might be as to further efficient service.

Q. Am I to take it that the departmental representative was the one who objected, on the Rating Board, to Snider being considered because he was 48, and yet was willing to consider Burlingham who was 44?—A. I will have to ask you to ask that question of the Board itself. I was not there.

Q. Now, would you just turn over to the list of qualifications of these men which is given in the file and read to the Committee the qualifications on experience in the canning industry. Now, start with Burlingham and we will contrast him with Snider?—A.

> Burlingham; general knowledge of canning industry through employment with two canning companies of district.

Q. Now, turn to Van de Water and tell us what experience he had had—as he was ranked third in order of merit—if any, in the canning industry, except that he was a temporary appointee on September 5, 1930?—A.

> Summer vacations worked with Beaver Canning Company, Bloomfield, and with Bloomfield Packing Company and A. C. Miller Canning Company.

Q. There is nothing to show the nature of the work he was doing?—A. I would have to look up the nature of the application to make certain of that.

Q. I understand. Probably your examiner can tell you that there was in this case a memorandum made up from the applications which went before the Examining Board giving each man's education?—A. It was from that memorandum that I was quoting.

Q. It would give each man's education and experience?—A. Of course, the applications went before them as well as the memorandum. This is simply a synopsis for the purpose of convenience.

Q. Now, I note that when the rating board sent this list of order of merit that Mr. Jones was first, Burlingham second, and Van de Water third. I note that Mr. McGillivray who was one of the rating board refused to sign. Do you know the reason?—A. I do not know that I quite agree that he refused. He did not sign at that time, and the note I find is, "department phoned that Mr. McGillivray is ill and Commissioner McIntosh could not attend. Board meeting postponed."

Q. Go back a little and you will find that Mr. McGillivray refused to sign and they tried to get another meeting?—A. I think I had better let Mr. Garrett answer that, because he was there and I was not.

Q. All right. At any rate, a gentleman by the name of Jones who was listed first in order of merit was selected and gazetted on December 22, 1930?—A. Yes.

Q. And the next thing that you find on that file is that on March 3, 1931, the department was writing the Commission pointing out that Mr. Jones had not accepted and suggesting that another man be appointed, and again suggesting Mr. Van de Water?—A. This is the statement to which I think you refer. This is a copy of a memorandum from the Examination Branch:—

> As the result of competition, Mr. R. A. Jones, O.A.S., of Aylmer, Ontario, was declared eligible for such appointment, his name appearing first on the list, and was duly assigned to this position. Under date of February 23rd, the department of Agriculture has forwarded a copy of a letter from Mr. G. E. McIntosh bearing the date January 28th, in which he advises that Mr. Jones has not yet stated that he is prepared to report for duty when required. In any case the Fruit Commissioner would prefer to have the Civil Service Commission assign Mr. Jones temporarily to this position in order that he may be given a trial before his appointment is made permanent.

Q. Mr. Jones never did actually assume the position, did he?—A. Yes, he reported.

Q. When was that?—A. I have a letter here from Mr. Jones dated December 31, 1930,—

> I have been waiting to hear further from you as to when you require my services. My contract finishes with my present employer about December 31st and we are still packing, and I would appreciate it very much if you could let me know thirty days in advance of the time you want me.

Q. Then he was appointed and gazetted eight days before that, on December 22nd. Do you know why he did not start work?—A. I think on account of the reason he gave us; he was under contract to his present employers at that time.

Q. Until when?—A. Until December 31.

Q. Of that year?—A. And he wanted one month's notice before he reported.

Q. In that event he could have been given one month's notice and reported at the end of January, 1931, could be not?—A. I think that is what happened.

Q. No; because on March 3rd, of 1931, the department was still writing to know where their man was, just three months after that?—A. I think this explains it,—

> it would appear from a letter from Mr. Jones that up to December 31st he has received no instructions from the department of Agriculture. It is customary to allow an appointee a reasonable time to arrange his private affairs before he assumes duty.

That is a letter to the deputy Minister of Agriculture from the Civil Service Commission.

Q. What is the date?—A. March 11, 1931.

Q. That is in reply to the letter of March 3rd enquiring where their man Mr. Jones was?—A. Exactly. I think the explanation of where Mr. Jones was as between January 1st and March 1st is that Mr. Jones and the department were negotiating that he should leave his present employment and report to the department of Agriculture. He reported on March 3rd.

Q. To the department of Agriculture?—A. Yes.

Q. Did he actually assume the position?—A. I have Dr. Grisdale's report, the above named person reported for duty and began work. . . .

Q. How long did he stay, or what happened to him?—A. He is still there.

Q. No, no; you appointed Mr. Burlingham subsequently?—A. That was the second position; there were two positions.

Q. Oh, I see. Jones was appointed and is still on the job?—A. Apparently so.

Q. A second position became available and Mr. Burlingham, the second choice on the list in order of merit, was appointed to the second position, was he? If so, what date?—A. He was assigned on March 11, 1931, to report on instructions from the deputy Minister of Agriculture. He reported and began work on April 3, 1931.

Q. Now, then, the department rejected him for unsuitability. What was the date of their rejection?—A. June 1, 1931, effective June 15, 1931.

Q. Then, would you look up in the file a letter from the deputy Minister to the Civil Service Commission of June 1, 1931, which letter encloses a report by G. E. McIntosh, Fruit Commissioner, Department of Agriculture, dated May 28, 1931?—A. Yes.

Q. Would you read the enclosure which was a letter from Mr. McIntosh to Dr. Grisdale, the deputy Minister of Agriculture, which he, in turn, forwarded to the Civil Service Commission?—A. This is dated May 28, 1931, from the Fruit Commissioner, G. E. McIntosh, to the Deputy Minister of Agriculture, as follows:—

> Mr. R. C. Burlingham has been employed as canning inspector in position AGR-F, 139 since April 1, and I recently asked Mr. G. S. McGillivray, chief canning inspector, to make some personal investigation into his work and let me have a report as to whether or not Mr. Burlingham appeared to be capable of performing satisfactorily the duties expected of the appointee to this position.
>
> In a memorandum of May 27, Mr. McGillivray referred to an interview on May 19 with Mr. Blank who claimed he was in close touch with the work Mr. Burlingham had previously done for the Canadian Canners and Mr. Blank declared that Mr. Burlingham knows nothing about canning or grading and was not a success as a road man when ordering in crops as he lacked judgment and decision.

Q. Excuse me, but on Mr. Burlingham's application form report his experience was supposed to be two years with Canadian Canners Limited, was it not?—A. Yes.

> I have a general knowledge of the canning industry, having been employed by two different canning companies in this district.

Q. Does he specify who they were?—A. He does not right there, no.

> Am at present roadman or crop overseer ordering in the various crops when they reach the proper state for canning for the Canadian Canners (Lakeside Plant No. 45) at Wellington.

Q. Then would you read the next paragraph of the letter about the Canadian Canners (Lakeside Plant No. 45)?—A.

Mr. Blank, when asked whether he considered Mr. Burlingham qualified to grade samples of canned foods, stated he did not consider him qualified to do any work in connection with the canning industry, without direct instruction and personal supervision.

Our Inspector Graham in Toronto informed Mr. McGillivray that Mr. Burlingham did not seem to know anything about regulations, grades, labels, containers or certificates. In Inspector Graham's opinion Mr. Burlingham was anxious to learn, but appeared very dull in grasping the ideas and lacks executive ability to carry on by himself.

Mr. McGillivray states he questioned Mr. Burlingham from time to time at the office of Crosse & Blackwell, manufacturers of Jams, Pickles, etc., but he did not seem to grasp the import of what he was talking about, and Mr. McGillivray therefore took him to his room at the hotel and questioned him about the work required of him.

At that time, Mr. Burlingham said he had no idea that a Canning Inspector had anything to do but to see that the factories were kept clean and that the fruits and vegetables were fit for food. He frankly admits he knows nothing about canning fruits or making jam and, until appointed an Inspector, he knew nothing about standards of quality, standard containers or inspection for grades or marking.

In the opinion of Mr. McGillivray, it will take a great deal of training to make Mr. Burlingham fit to be sent out to a district to take full charge, and he further states "I do not consider that Mr. Burlingham would make a satisfactory inspector for the Toronto position.

In view of Mr. McGillivray's report, I beg to recommend that Mr. Burlingham be rejected under Section 24 of the Civil Service Act, and that his services be dispensed with on June 15th.

Q. Now, then, would you turn back to that list of rejections by the rating board and see the name of a man called J. H. Ryckman, O.A.S. That means that he is entitled to the returned soldiers' preference, I believe?—A. Yes.

Q. And opposite the name of Mr. Ryckman the examiners have written fruit grower without any direct industrial fruit canning experience. Is that the reason why he is not rated?—A. Yes.

Q. And is among those rejected?—A. Yes.

Q. Now, would you turn over to the list giving the educational experience and qualifications of these men and read the part that I have marked with a pencil in brackets.—A.

Familiar with canning methods, and with four standards of quality and with sizes and types of containers. Familiar with Meat and Canned Foods Act and regulations governing inspection of preserved fruit and vegetables. Knowledge of distinguishing characteristics of varieties, and of defects and diseases arising in each and storage conditions to be used and methods of canning.

Q. That is all, thanks.

By Mr. MacInnis:

Q. Where it says Jones and Burlingham and Van de Water, were they all returned soldiers?—A. No, the first two, Jones and Burlingham were—not Van de Water.

By the Chairman:

Q. Incidentally, Van de Water had not any previous experience of any kind according to his application, had he, except what he has acquired in this position temporarily?—A. A summer experience prior to that.

CHARLES S. MCGILLIVRAY, called and sworn.

By the Chairman:

Q. I understand, Mr. McGillivray, that you are—.—A.—Chief Canning Inspector.

Q. For the department of Agriculture?—A. Yes.

Q. And I believe, Mr. McGillivray, that you were a member of the rating and examining board in connection with this competition for canning inspectors at Toronto?—A. Yes, I was.

Q. And I observe that when the Board put in this report fixing a list in order of merit consisting of Jones, Burlingham and Van de Water that you were unwilling to sign that report?—A. In that order.

Q. Yes, that is what I mean?—A. Yes, in that order.

Q. And were you satisfied that those three men should constitute the whole list of order of merit?—A. I was satisfied of these three men being the only real eligible ones in the lot.

Q. But you wanted them arranged in some order?—A. I wanted Jones first, Van de Water second and then Burlingham.

Q. Somebody—I think Mr. Bland—said you had personal knowledge of all these men before you sat on that examining board—knowledge of their experience?—A. I had met Jones, and I knew the others personally, and I knew Jones because he was manager in one of the plants over which I have supervision.

Q. It seems to go without question that he was by far the preferable man of them all, I judge, by looking at this list of qualifications?—A. By his list of qualifications, he was.

Q. You heard read here a few moments ago, by Mr. Bland, the report of C. E. McIntosh, Commissioner, to the deputy Minister of Agriculture, most of which apparently, was based upon your report?—A. Yes.

Q. And among other things you point out there that Mr. Blank, of this factory, No. 45, of the Canadian Canners, where Burlingham had had his experience, when asked whether he considered Mr. Burlingham qualified to grade samples of canned food, stated he did not consider him qualified to do any work in connection with the canning industry without direct inspection and personal supervision, and further up you said that Mr. Blank, of Canadian Canners Farms, declared that Mr. Burlingham knows nothing about canning or grading and was not a success as a roadman when ordering in crops as he lacked judgment and decision. Did you have that knowledge at the time you sat on the rating board?—A. Not in its entirety.

Q. You had some of it?—A. I had in a way, yes.

Q. I suppose that was one of the reasons why you wanted Van de Water placed ahead of Burlingham?—A. Well. Mr. Chairman, I feel very keenly about this because Mr. Burlingham has been a friend of mine for years and years, and I felt that it was not being fair to him to appoint him because I felt he was not capable of taking the executive position that he wanted; perhaps a rural factory, but never a big one. I have not had a trace of him for the last five years, but when I got a further trace of him and met with him, I knew.

Q. Did you advise your fellow members on the rating board of your feeling that he was not a proper man to be appointed to a position of that kind?—A. I did not advise that he was not a proper man to be appointed to the position at that time, but I did advise them that I did not think he was a proper man for an executive position. At that time I had in mind the rural position and the city one.

Q. When this Board sat you were choosing two men for two positions?—A. Two men for two positions.

Q. One city and one rural?—A. One of which Jones got and the other which Burlingham got.

Q. Which one did Burlingham get?—A. He got the city one.

Q. And did Jones get the rural one?—A. Jones got the rural one.

Q. So you put your best man in a country place?—A. That was the man we had to have. We had to have one for the country anyway; it was forced on us.

Q. I notice in looking over the list two men who seem to have a lot of qualifications, namely, H. M. Snider and J. H. Ryckman. Were they before the rating board at all, or were they knocked out by age or other factors before the rating board sat?—A. I am unable to recall Mr. Ryckman at the moment. I am not sure if he was one of two men up in Hamilton whose qualifications—

Q. Would you mind letting Mr. McGillivray look at that list of qualifications?—A. I know of their qualifications, Mr. Chairman, but I cannot place the two men.

Q. I am wondering if they ever came before you for rating?—A. Yes, I remember.

Mr. Bland: None of them was eliminated first; they were all considered by the Board.

The Chairman: It struck me that this man Ryckman, whom I have never seen, and, until I saw this file, about whom I had never heard—a man of 36 years of age—and they seemed to be anxious to get young men—it struck me that he seemed to have considerable qualifications; and Mr. Snider was only four years older than the second man, Mr. Burlingham, and apparently he had had 25 or 30 years' experience in the business.

Mr. Bland: May I interrupt? I wanted to say that in the information I got from the file I did not bring out the fact that Mr. Snider was one of the thirty who was considered by the Board, and about whom further information was secured prior to the second meeting. He was not eliminated for any technical reason, but after consideration.

The Witness: Mr. Chairman, I really cannot speak of that with any confidence.

By the Chairman:

Q. You cannot recall just why Ryckman was not considered for rating on the eligible list, or Snider?—A. I remember Snider, of course.

Q. Do you remember whether he was put out of the running merely by the fact that he was 48 years of age?—A. I have known Snider since he and I were boys, and if he had stopped when he was 48 years of age, he would be dead a long time.

Q. You think he is older than that?—A. If he is not, I cannot keep track. We were boys together, and I am sixty-five.

Q. You look younger than that.

Mr. MacInnis: He might look older, if he was looking for a job.

The Witness: We worked together.

By the Chairman:

Q. Was that a factor?—A. No, I would consider him absolutely impossible in an educational way. I am sorry to say so, but I am under oath and I must.

Q. Frankly, why do you say educationally. Apparently he has the same education as this man Burlingham, except that Burlingham had a high sounding qualification of having been at Upper Canada College, which would not give him any higher educational standing than the matriculation which the other man had?—A. Indeed, I did not need to read either of their statements, because I knew them both. I know Burlingham had every chance and the other man did not.

Q. What do you mean by every chance—for a higher education?—A. Yes, for a higher education.

Q. But, apparently, he did not take advantage of his chance, because they are each graduates of a public school and each have matriculation?—A. Oh, no, surely Snider never said he had matriculation.

Q. I will not say that. His application said that he went to the high school and public school until 18 years of age, and Burlingham says he went to public school and high school and Upper Canada college until 18?—A. Yes, and after that, business college. There is no comparison, Mr. Chairman, between educational qualifications.

Q. So that the situation, in this case, was that you yourself thought that Snider was much older than 48, and from your personal knowledge of the men you thought he had not sufficient education to meet the requirements of this position?—A. Yes.

Q. Is that the situation?—A. Yes.

Q. And the other examiners accepted your view in that regard?—A. I do not know how far they went into it.

Q. With respect to the other man whom I noted seemed to have high qualifications—Ryckman—you have no recollection of him?—A. I have no recollection between Ryckman and another man in the same district. I did not know them personally.

Q. Mr. Burlingham was rejected. Has anyone else filled the position?—A. His position has not been filled.

Q. Can you tell me why you only established a list of three, on your order of merit list, when you had two positions available?—A. We did not have any very promising material.

Q. At that time?—A. No.

Q. And hence you limited it to the three?—A. Limited it to the three, and about the time we got ready for it we had to cut down as far as possible so we cut down, and when Burlingham went out—

Q. You just left a vacancy?—A. Left the position vacant. Last year it was a very hard year, in the canning industry, and we made our men double up.

Q. Now, if I have gathered the purport of your evidence, although you had known Burlington for years, in a friendly capacity, you did not deem he was qualified for this position?—A. No, I did not.

Q. But the other examiners had a different view?—A. Yes, the other examiners read his application. I am not at all surprised that the other examiners gave him the preference over Van de Water.

Q. Because of the information contained in his application?—A. Yes. I am not surprised.

Q. You were the only man on the examining board who had personal knowledge of any of these candidates?—A. I was the only one that had personal knowledge.

Q. That is all, Mr. McGillivray.

Mr. BLAND: Is it not proposed to call the other examiners?

The CHAIRMAN: What is the necessity? We are perfectly willing to hear them, but it does not look as though this is a case in which to hear the other examiners. At least so far as the two men whom I picked out as appearing to have outstanding qualifications were concerned—apparently they accepted the views of Mr. McGillivray, who knew the men personally.

Mr. BLAND: It was with reference to the qualification of Mr. Burlingham. If you do not mind—

The CHAIRMAN: The only reason I was quitting was because I have satisfied myself that there was not anything here about which very much complaint might be made.

Mr. BLAND: Thank you. I am quite satisfied, if that is the case.

Mr. CHAIRMAN: Frankly, that is why I was not bothering calling your examiners. I am delighted to find a case turn out one way or the other. If I take a file and it looks as though there is something which is not explanatory, I want to find out why. In this case, mind you, I am not conceding that I think this is a good way of examining candidates.

Mr. BLAND: The reason I suggested that the other two examiners be heard was this: I understand from them that at the Board meeting—I am sorry Mr. McGillivray is not here—Mr. McGillivray was not willing to say that Mr. Burlingham was not qualified.

The CHAIRMAN: I should not be at all surprised. Mr. McGillivray himself told us he was in a very difficult situation. Here was a man who was a personal friend of his.

Mr. BLAND: The examiners felt that Mr. Burlingham being a returned soldier, and Mr. McGillivray, who knew him, being unwilling to say he was not qualified, they must give him the chance.

The CHAIRMAN: I can appreciate the position.

The Committee adjourned to meet Wednesday, April 20, at 11 o'clock.

The Select Special Committee to inquire into appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 11 o'clock. Mr. Lawson presiding.

The Chairman: Gentlemen, our first witness this morning is the Hon. Mr. George Black, member of parliament for Yukon.

Hon. Mr. Black: I am not appearing here as Speaker of the House of Commons, but as a member of Parliament.

The Chairman: That is why I put it the way I did.

Hon. George Black, called and sworn.

By the Chairman:

Q. Go ahead now, Mr. Black?—A. I want to tell the Committee the experience I have had in dealing with the Civil Service Commission concerning the cases of a number of civil servants. This matter concerns some eighteen employees now in the service of the Government and some recently retired, and the widow and infant children of a civil servant who died last June; and the action of the Civil Service in dealing with all of them indicate to me that they are either incompetent or extremely indifferent. These civil servants are paid an amount consisting of salary and living allowance, and the salaries differ. The living allowances are pretty much on an even plane, although there are some slight differences in them. In all cases they are fixed amounts paid annually. They are annual payments paid monthly, but they are not based on the cost of living or the expense of living. They do not vary from year to year; they are fixed, settled amounts.

Most of these people have been in the Civil Service about 20 years. One of them has been in the service over 30 years. And all but perhaps two of them were permanent residents of the Yukon Territory for years before entering the Civil Service. They did not come in from Ottawa to take jobs, or from any other place; they were residents there who were taken into the Civil Service. At that time there was no Civil Service Commission, and no Civil Service Act; and when the Civil Service Retirement Act, which is now chapter 24 of the Revised Statutes of Canada, 1927, was passed, the matter of how to apply that Act to the Yukon civil servants, or to civil servants employed in the Yukon, was raised, and particularly the meaning of subsection (*l*) of section 2 which reads:—

> Salary of a contributor...

That is contributor to the Superannuation Fund—

> ...means the regular salary paid in respect of his service together with the value of living and residential allowance, but does not include allowance or payment for overtime or other extra allowance or pay or any gratuity.

Now, that, to my mind, is a very plain section:

> Salary of a contributor means the regular salary paid in respect of his service together with the value of living and residential allowance.

As I said, at the outset, the value of the living allowance in these cases is fixed and determined and not a fluctuating figure. I think, to make it clear, I had better read a little of the correspondence that took place at that time. Here is a letter from the Gold Commissioner of the Yukon written from Dawson, September 5, 1924, to Mr. O. S. Finnie, director of the Northwest Territories and Yukon Branch of the department of the Interior at Ottawa:—

> I beg to acknowledge receipt of your letter of the 19th ultimo, file 4559, having reference to the Civil Service Superannuation Act, with enclosures as stated. Each of the employees of the department here has been furnished with these forms, and will no doubt in due course complete the same and forward them to the department of Finance as requested.
>
> It is noted that in the Civil Service Superannuation Act, the word "salary," as defined in "*k*" of section 2, includes the value of living and residential allowances.

He was then referring to the old Statute as passed in 1924, being chapter 69; and the subsection in that was "*k*" instead of "*l*." There is no difference in any other respect:—

> As you are aware since April 1st, 1923, 5% of the salary of the permanent employees of the department here has been deducted for the Retirement Fund, but the deduction has not been made on the living allowance, as it would now appear that it should be under the provisions of the new Act.
>
> Would you be good enough to take this matter up with Mr. P. Marchand, Financial Controller of the department, and advise me.
>
> G. P. MacKenzie,
> *Gold Commissioner.*

Q. What is the date of that letter?—A. The 5th of September, 1924. It is from the Gold Commissioner to the Director of the North West Territories and Yukon Branch, department of the Interior, at Ottawa.

The reply to that letter was dated the 27th November, 1924, from Mr. O. S. Finnie, Director, to the Acting Gold Commissioner at Dawson, and is as follows:—

> With reference to your letter dated 5th of September last, your file No. 31186, in which you request information regarding 5 per cent deduction on the amount paid employees as living allowance in the Yukon, in accordance with the Civil Service Superannuation Act, I am enclosing copy of a memorandum on this subject by the Financial Controller of the department, from which you will note that 5 per cent must be deducted monthly from both the salary and living allowance from the date the employee elects to come under the terms of the above mentioned Act.

Then follows a memorandum from Mr. P. Marchand, Financial Controller, dated November 21, 1924, to Mr. Finnie, the Director, as follows:—

> *Re* deduction of 5 per cent from the amount of living allowance paid to Yukon officials who elect to come under the Superannuation Act 1924.
>
> In reply to your memorandum of the 27th September last relative to the above subject, I am to advise you that a number of rulings, concerning the new Act, have recently been received from the Department of Justice and among them there are two touching upon this subject.

They are as follows:—

(*a*) Contributions must include 5 per cent of the value of living and residential allowances, both in respect of past service and in respect of future service.

(*b*) Where a contributor has paid into the Retirement Fund, no contribution is required for living and residential allowances receiving during such period of contribution to the Retirement Fund.

The effect of these rulings on the cases of those who elect to become contributors under the new Act is as follows:—

1. The sum of 5 per cent must be deducted monthly from both the salary and living allowances from the date of election.
2. In the cases of those who started to contribute to the Retirement Fund on the 1st of April, 1923, no deduction is to be made from the living allowance from that date to the date of election.
3. In the cases where employees desire to contribute for their temporary service, a deduction of 5 per cent must be made from the salary and living allowance received during such period or periods of employment.

I am advising the Comptroller of the Yukon Territory in connection with the above rulings so that he may be guided accordingly when preparing his pay-lists, and you will be supplied with a copy of my letter in this respect.

And right here I will put in a letter from the Deputy Minister of Justice, W. Stuart Edwards, addressed to the Comptroller of the Yukon Territory, Dawson, concerning one of the civil servants on whose behalf I am making these representations, Mr. H. G. Blankman. It is dated the 17th of July, 1925. He is Registrar and Reporter of the Territorial Court of Yukon Territory and Registrar and Reporter at the Police Court, and Deputy Sheriff:—

I beg to inform you that Mr. H. G. Blankman has elected to come under the provisions of the Superannuation Act 1924, and that his election is dated 1st April, 1925.

I am therefore to request that monthly deductions of 5 per cent be made from his salary and living allowance, and the amounts be remitted to this department in the form of cheques payable to the Receiver General along with your monthly statements of expenditure connected with this department.

These payments should date back to April 1st last.

W. Stuart Edwards,
Deputy Minister of Justice.

Now, they were given the right to elect as to whether they would come under that or not, and they all did so, and from that time on, up until a few months ago, they continued to pay 5 per cent of the total amount of their compensation, and, in some case, to pay up the back amounts. I know it was quite an effort for the men to get the money together to pay up the back contributions, but they went ahead and did it. They regarded it as a form of insurance for their old age and their dependents. And that was done on the considered opinion of the department of Justice that they must pay on the whole two amounts. I read you a letter from the deputy Minister of Justice concerning a man in that department. In due course some of those civil servants were retired, and the same subject came up again for consideration as to whether they should be retired on a sum based on both living allowance and salary.

By Mr. Chevrier:

Q. At this time the question arises as to whether they should be superannuated on a straight salary or a salary plus allowance, is that it?—A. Yes; and a decision is given. Here is some correspondence that took place in the case of Captain James McLeod. This is a letter from George P. Mackenzie, Gold Commissioner, to R. R. Farrow, Esq., Commissioner of Customs and Excise, Ottawa, dated at Dawson, August 7, 1924:—

> DEAR MR. FARROW:—Captain James McLeod, for a number of years in your service in this territory, is being retired from the service under the provisions of the Calder Act.
>
> Captain McLeod informs me that Mr. Foran, Secretary of the Civil Service Commission, has notified him that his retiring annuity is being based on his salary alone. This, I think, is the first case of the retirement of an official in your department in this territory, where, as you are aware, employees are paid in addition to their salary what is termed a living allowance.
>
> In this connection I would respectfully direct your attention to retirements that have been made from other departments of the government here. George Craig, Court Stenographer in the Justice Department, was retired some three years ago. The computation of his retiring allowance was made on the basis of his salary. At a later date Charles Couture, William Brownlow, and others in the Government Telegraph Service here under the Public Works Department, were also retired. In their case, after full consideration, their retiring allowance was based on the amount of their salary and living allowance combined. When Mr. Craig learned of this he asked that his case be again reviewed by the Government and the Civil Service Commission, which it was, and his retiring annuity fixed on the basis of salary and living allowance.
>
> It is of course very obvious that the action taken in these other cases must have escaped the observation of your department and the Civil Service Commission.
>
> No doubt Captain McLeod will make representations on his own behalf respecting this matter, but inasmuch as the other cases referred to came under my personal review, it seemed to me desirable to bring these facts to your attention.

Then comes a letter in reply from R. R. Farrow, Deputy Minister of Customs to George P. Mackenzie, Gold Commissioner of the Yukon Territory, dated September 2, 1924, as follows:—

> I have the honour to acknowledge the receipt of your letter of the 7th ultimo, respecting the retirement of Mr. James McLeod, under the provisions of the Public Service Retirement Act (Calder Act) and the allowance he should receive upon such retirement.
>
> In reply I beg to advise that recommendation is being made to Council for Mr. McLeod's retirement under the provisions of this Act, with an allowance calculated on his salary plus the living allowance he has been receiving.

And that was done, and it was done in all cases of retirements to my personal knowledge. The matter was considered settled and the retirements were made on the sums based on the combined amounts, and the remaining employees of the government in the Yukon continued to pay their premiums on the combined amounts. Everything went along all right until March 17, 1930, when the deputy Minister of Justice gave a hair-splitting and involved opinion on the question which was too deep for the Civil Service Commission to understand, and they misinterpreted it, and have caused these employees to whom it is

applied a lot of grief, most wrongfully, I think; and I have been unable to get any redress from the Civil Service Commission on the matter, although the Chairman of the Commission admitted to me that they had made a mistake and promised to rectify it, but the Commission simply does not act.

By the Chairman:

Q. This is a ruling from the deputy Minister of Justice which was given by the same deputy Minister of Justice who gave the 1924 ruling and which specifically states that allowances should be based on compensation, not on salary?—A. Exactly. This is his opinion of March 17, 1930, addressed to J. C. Saunders, Esq., Secretary, Treasury Board, Ottawa, and is is follows:—

> DEAR SIR,—In accordance with the request signified by your letter of the 20th June last, I have had under consideration the questions set out in the accompanying report No. 6 of the Advisory Committee on the Civil Service Superannuation Act upon which the Treasury Board desires my ruling. The questions and my answers thereto are as follows:—
>
> 1. Are allowances, pay, or other consideration, whether in kind or otherwise and whether described as "living allowances" or otherwise, made to any contributor by reason of the fact that (*a*) the cost of living as such in the place where the service is rendered is excessive, or (*b*) the nature of the position is such that to properly discharge the duties thereof the incumbent is obliged to incur expenditures or to maintain a standard of living involving expenditures in excess of his personal and ordinary living expenses, to be deemed to be "salary" within the meaning of section 2 (1) of the Act?

While this department has already, on several occasions, ruled that living and residential allowances where granted to a contributor are to be reckoned, for purposes of the Superannuation Act, as part of the contributor's salary, I have not previously been asked to lay down any ruling governing the differentiation of the allowances which are properly to be treated as living and residential allowances, within the meaning of the statutory definition, from other allowances which would not properly be reckoned as such. My view upon this point was, however, indicated incidentally in the ruling which was the subject of my letter to you of the 26th November, 1924, in reply to your letter of the 10th idem. In that ruling I dealt with the question whether, in the case of a civil servant otherwise eligible to become a contributor but whose regular salary was less than $600 per annum, there might be added to such salary the value of living and residential allowances for the purpose of rendering him eligible as being "in receipt of a stated annual salary of at least six hundred dollars", within the meaning of section 2 (*b*) (1) of the Act, and upon this question I said:—

> I am of opinion that in such a case the 'salary' of the civil servant is not 'a stated annual salary of at least six hundred dollars' within the meaning of section 2 (*b*) (*i*), unless the living and residential allowances be in the nature of a fixed sum of money or of an allowance in kind valued at a fixed sum of money and part of the compensation attached to the civil servant's office.

More recently, I was required, upon a reference from the Under-Secretary of State for External Affairs, to give a ruling upon the question whether the living allowance which it was proposed to provide for a number of the permanent staff of that department for the time being on

loan to the Geneva office, should be approved by the Civil Service Commission before being authorized by the Treasury Board, and in my letter of April 11, 1929, (our file 515/29), I said:—

> If the proposed allowance is to be granted, not as part of the salary of compensation in respect of his service in the position in which he is now serving, but merely by reason of abnormal conditions affecting the cost of living in Geneva and special obligations incident to the proper discharge of the duties of the position, then, in my opinion the fixing of such an allowance is entirely outside the statutory power of the Civil Service Commission and comes within the exclusive competence of the Governor in Council.

Which was obvious. . .

> I am, accordingly, of the opinion that the interpretation of the definition of "salary" in section 2 (1) of the Act which the Committee has suggested in its report, is correct,, namely, that only such living and residential allowances are to be reckoned as part of the contributor's salary for the purposes of the Act as are, in the same sense as the contributor's regular salary, paid or allowed "in respect of his service;" in other words, really form part of the compensation or emoluments attached to the position in which the contributor is serving.
>
> It follows that allowances of the kind described in the question are not to be reckoned as part of a contributor's salary within the meaning of section 2 (1) of the Act, except in cases where they really form part of the compensation attached by or under authority of law to the contributor's office or position.
>
> In view of my answer to the first question, it will be unnecessary to answer the second.
>
> W. Stuart Edwards,
> *Deputy Minister of Justice.*

Q. Excuse me. There was nothing, as you see it, in that ruling that reverses the ruling he gave in 1924?—A. No, but a very fine distinction.

Q. He merely elaborates and endeavours to draw a distinction between those allowances which are fixed and incidental to any particular position and those allowances which may vary from time to time because of cost of living conditions in any particular locality to which the civil servant is assigned?—A. Yes, and the Civil Service Commission, having received that opinion, jumped to the conclusion that that shut out all the employees in the Yukon, and have blanketed that opinion on the Yukon, and they have gone so far as to return the men the proportion of their retirement allowance premiums that they have paid on living allowance, thereby reducing, by possibly 50 per cent, the amount of retiring allowance that these men will get. Most of these men are getting on in years and the time is coming when many of them will be retired, and many of them will be retiring within the next 12 months, from what I can learn, from the department because of the necessity of cutting down the staff and saving money.

By Mr. Chevrier:

Q. The civil servants in the Yukon are paid first a stated annual salary?—A. Yes.

Q. Besides that they get living allowances?—A. Yes. A stated annual salary and stated living allowance.

Q. First a fixed annual salary and then a fixed annual living allowance?—A. Yes.

Q. Does that living allowance fluctuate in any way with the cost of living?—A. No, the living allowance does not fluctuate.

Q. I did not think it did. As one who helped to frame the Superannuation Act, it has always been in my mind that once you had something that is stated, fixed, and not fluctuating, the contributions should be based upon that.—A. I will quote some figures. For instance the position of Gold Commissioner, outside of the Judge of the Territorial Court is the most important position there—he represents the Government. He gets a salary of $4,140 and living allowance of $3,000, total $7,140.

Q. Then the Commission holds now to the opinion that because of Mr. Edwards' letter the $3,000 living allowance should be taken off?—A. Yes. Not the $3,000 living allowance taken off, they have still continued to pay that, but they say that does not form part of his salary.

By the Chairman:

Q. In other words they say his superannuation must be based on his salary, not on his total compensation, therefore they returned to him that proportion of the premiums which he has from time to time paid, and said in effect, your insurance is cancelled to that extent?—A. Yes, exactly, as if the man had been paying premiums to a company on a $5,000 policy, and after carrying that all the while they say: Oh, we will not insure you for $5,000, we will insure you for $2,500, and pay back the back premiums. Just as unfair.

By Mr. Chevrier:

Q. And the only reason for the Commission's attitude is Mr. Edwards' letter, the one you have just read?—A. Exactly, that is the only reason. None other at all. I quoted the Gold Commissioner's salary. G. A. Jeckell, the Collector of Income Tax and Agent of Public Works, and holder of several other offices receives salary $4,200, living allowance $1,300, total $5,500.

Then Mining Recorder, salary $1,920 and living allowance $1,500, total $3,420. They have all reached their maximum pay. Here is a stenographer, salary $1,515 and living allowance $1,200, total $2,715.

Now those combined amounts are not greater than, in many instances not as much as, the going salaries and wages of the country, and not any more than the salaries paid by the local government. They make no distinction, they do not pay part salary and part living allowance, they pay straight salary. The superintendent of roads gets $3,600; the territorial treasurer $3,600; territorial labourers,—due to the depression there has been a cut in pay, but the going wage up there, for labourers, is $7.50 for an eight-hour day. For machinists, the average wage scale in the Yukon is $300 a month; engineers, $300 a month; gold-dredge employees, $200 to $350; mining company accountants, $350 a month; electricians, $300; general labourers, $175 to $225 a month. So the combined salary and living allowance is not in excess of the going wages and pay of the country, and was never intended to be such.

As I say, on that occasion the Civil Service Commissioners completely reversed their former action. I say further that the deputy Minister of Justice was going a long way in drawing any distinction at all. The Act makes no distinction, it says that the salary of a contributor means the regular salary paid in respect of his service together with the value of living and residential allowances. That is plain enough.

Now here is an order in council, P.C. 45/1147 passed on the 16th June, 1927, making regulations under the provisions of the Civil Service Superannuation Act. The Act provides that the Governor in Council shall make regulations. Here is regulation No. 4:—

> The value of living and residential allowances shall be determined by the Governor in Council upon the joint recommendation of the Civil Service Commission and the deputy Head of the Department concerned.

All the living allowances in these cases I have quoted have been fixed by the Governor in Council and the Civil Service Commission and the deputy Head.

Regulation No. 5:—

> The average salary received by a contributor during the last five or ten (as the case may be) years of his service shall be taken as one-fifth or one-tenth (as the case may be) of his total salary (including the value of living and residential allowances as fixed in the manner prescribed above) at the stated annual rates in effect during the last 60 or 120 months of service.

Showing that by the regulations made under the Act the Government and the Civil Service Commission and the deputy Heads intended to include the value of living allowances as well as the salary, as by law they were bound to do.

Further than that, here is a form prepared by the Civil Service Commission under the authority of the regulations from which I have quoted. There is certain information to be filled in, Name, Rank, Department, Date of Retirement, Cause of Retirement, Age at Retirement Date, Service at Retirement Date, Period of Contribution, Period of non-contribution, and Average salary for the past years, Average living allowance for the past years, Total average salary and living allowance for the past years; Annual allowance $..... showing that it was and always was in contemplation to take in living allowance.

I would like also to refer to the opinion which the deputy Minister quoted as having been given by him on the 26th November, 1924. He says:—

> I am of opinion that in such a case the "salary" of the Civil Servant is not "a stated annual salary of at least six hundred dollars" within the meaning of section 2 (*b*) (*i*), unless the living and residential allowances be in the nature of a fixed sum of money—

He stresses that point.

> —or of an allowance in kind valued at a fixed sum of money and part of the compensation attached to the Civil Servant's office.

By the Chairman:

Q. That phase of his ruling, if I understand it correctly, was only applicable to salaries of $600 and less per annum?—A. Yes, but you see he stresses the importance of its being a fixed sum of money. I quite admit, if these employees were paid a salary of, say, $1,000 a year and then the actual cost of maintenance, which would be made up, and vouchers provided, I would not say that was salary. But in this case, regardless of whether a man lives on $1,000 a year, they pay the average employee $1,500 a year.

By Mr. Chevrier:

Q. That was the difficulty at the time of determining those who should come within the Superannuation law. Compensation had to be fixed, in order to determine the amount of contribution. It is quite obvious you could not have superannuation on prevailing rates, for instance, because they fluctuate. But I cannot see why your situation has arisen.—A. They seem to have lost sight of the fact that on the retirement of these people their cost of existence is not going to go down. It will cost them just as much to live in the Yukon, whether they are in or out of the Civil Service. It may be said that they will move out, but no one has a right to say that.

The CHAIRMAN: Surely that is their own affair, whether they move out of or stay in the Yukon.

By Mr. Chevrier:

Q. Superannuation is based on what they earn, not on what they may subsequently live.—A. I went to see the Civil Service Commission, and I wrote them a letter, I am not going to read the whole of my letter, but in it I set the situation out completely, gave them the instances I have given you. I wrote this letter on the 27th of July, 1931, and took it to them personally, discussed it thoroughly with the Chairman of the Commission. I have here the note I made on the duplicate of the letter at the time: "Delivered to Dr. Roche and discussed thoroughly with him, he favours continuing on original terms all those who have been contributing on salary and allowance." He admitted to me that the change was wrong, never should have been made, and that they should carry through to the end on the terms these people have been employed on. He said in employing new employees if the Government wishes to make another deal, well and good, but I admit these arrangements should not have been interfered with; and he gave me to understand that the Commission would revise their ruling, but they have done nothing. They evidently do not intend to do anything.

By the Chairman:

Q. Have you not had any intimation in all that time as to what disposition was being made of the matter by the Civil Service Commission?—A. Not from the Civil Service Commission, but I have from the action of the Government, based on the Civil Service ruling that they are retiring these men on the reduced amount, and, as I say, giving them back the premiums paid based on the combined amount.

Now another case, just to show how inconsistent the Commission is and how absolutely unfair they are, and that they indulge in favouritism. They do not treat all alike. Take the case of the postmaster at Dawson. In the classification of the Civil Service of Canada published in September, 1919, they include the position of postmaster at Dawson. They give the definition and qualification and lines of promotion and compensation, monthly $500, annual $6,000. No mention of living allowance at all, they rate him at a straight salary of $6,000 a year. It was a big salary, but it was continued and paid—not paid in full, as a matter of fact they paid him $5,900. That was their classification in September, 1919. And the same classification for that position is contained again in their classification published as late as 1925: "Postmaster, Dawson, compensation $6,000." Nothing further said. And the man was paid all those years, as I say, $5,900. He was due for retirement the year before last. He was not well during the last two years of his life. They extended his employment for a year. He came to Vancouver, went into the hospital and died. Mind you, since 1912, down to 1931, he had been paid a salary of $5,900 a year, of which he had contributed 5 per cent every year. After his death, the Civil Service Commission reclassified that position, said he should have been paid a salary of $3,900 and living allowance of $2,000, and the pensions to the widow and infant children have been correspondingly reduced; instead of giving them a pension which would amount, for the widow and the two children, to $1,507.45, they give them $996.45. They say that old classification was not right, it never should have been a straight salary of $6,000, and that he should not have been paid his salary during all those years of his life of $5,900 but should have paid $3,900, and he should only have paid premiums on the $3,900 and not on the $2,000, and that is the basis upon which is widow and children are now pensioned.

By Mr. Bowman:

Q. Did they give any refund?—A. They gave a refund of the premiums collected from him on the opinion of the department of Justice that they should be collected, a refund of the premiums paid on the $2,000, was given after his death.

By the Chairman:

Q. You said the widow and children were receiving?—A. They should have received $1,507.45, I forget what the apportionment is as between the widow and the two children—they actually gave them $996.45.

By Mr. Bowman:

Q. For how many years had the payment been made?—A. 1912 to 1930.

Q. In making the refund you have referred to, was there any interest allowed?—A. No.

By Mr. Chevrier:

Q. I want to put this on record; I suppose some of the officers of the Commission may want to explain their attitude. I understand this position at Dawson has been reclassified. It appears in the 1930 classification, that this would be a postoffice grade 3, the postmaster at Dawson shall receive an allowance of $1,500 per annum, with salary of postmaster grade 3.—A. Since this man's death another man has been appointed, who was in the post office service there, and they have regraded the position.

Q. Yes, I want to make this clear so that they will understand my point and they may be able to explain it. Positions are often reclassified during the life of the incumbent, and the salary decreased, but the incumbent's salary is never decreased during his occupancy of that position. The next incumbent takes it at the reduced salary.—A. I understand. This man was not decreased.

Mr. Bowman: It really would not have any bearing on the point you are making.

The Chairman: No, this man is dead.

Mr. Chevrier: Oh no, there is no demotion, there should be none.

The Witness: That is the way they dealt with that case. I have told you how they dealt with these eighteen people now in their employ.

By the Chairman:

Q. You said you were going to give us another case to contrast with that?—A. I am, right now, the case of George P. Mackenzie, Gold Commissioner of the Yukon. He was paid a salary of $5,000 and living allowance of $3,000. About 1924, or 1925, he was brought out from the Yukon, replaced by another appointee, and given another position, that of Chief of Arctic Exploration, at the same salary and same living allowance, $5,000 salary and $3,000 living allowance. He has since been retired. And the Civil Service Commission; notwithstanding their ruling that I have given, as late as May 15, 1931, wrote to the department of the Interior as follows:

INT—NT—3 Ottawa, May 15, 1931.

(to H. H. Rowatt, Esq., Deputy Minister of the Interior, Ottawa.)

Dear Sir:

I am directed by the Commissioners to acknowledge your letter of the 29th April in connection with living allowance of $3,000 paid to Mr. George P. Mackenzie, and to advise you that the Commissioners are agreeable that a living allowance of $3,000 should be included as part of salary for superannuation purposes.

Yours truly

(Sgd) W. Foran,

Secretary.

Could you have a more direct reversal of policy, or action, than that? In the case of these eighteen employees, they have ruled that their living allowance must not be included for superannuation, in the case of the dead man they say to the widow: we cannot pay what the premiums have purchased for you; but, in the case of George P. Mackenzie, they are quite agreeable that his whole remuneration be the basis upon which his superannuation allowance is calculated. I say that is either incompetence or rank indifference to the rights of civil servants.

Q. You say that letter was in May, 1931. When was it they gave the ruling in the case of the postmaster's widow?—A. It was in 1932.

Q. What was the date of that comparatively recent opinion from the Department of Justice which apparently they are misinterpreting?—A. 17th March, 1930.

Q. So they had that latter ruling of the Department of Justice before them when they dealt with both these cases?—A. Yes, when they dealt with all these cases.

Mr. BOWMAN: What was the date of the death of the postmaster?—A. June, 1931.

By Mr. Vallance:

Q. Right up to his death he had been paying the five per cent on this $6,000, had he?—A. Five per cent on $5,900. Although the position is classified at a compensation of $6,000. He was never paid more than $5,900.

Q. It was after his death they reclassified it, and they are paying the widow now on the reclassification?—A. Yes.

The CHAIRMAN: Mr. Putman, would you be good enough to find out and let the Committee know if the rulings of the Civil Service Commission in this case of the postmaster at Dawson, and also the case of Mr. Mackenzie, were concurred in by all the Commissioners, or whether there were any dissenting judgments?

Mr. ERNST: I wonder if the files could be brought, in each instance?

The CHAIRMAN: Would you be good enough to ask for the files, Mr. Putman, and let us have them.

Who would be the officer in the Commission, if any, dealing with these superannuation matters, or are they dealt with direct by the Commission?

Mr. PUTMAN: There are some of these things dealt with direct by the Commissioners. I think I have most of the files here which you will want, and I probably could answer some of the questions myself.

The WITNESS: I would like to put in a letter I wrote to the Civil Service Commission on July 29, 1931:

OTTAWA, Ont., July 29, 1931.

Re Superannuation Allowance of Yukon Civil Servants

In connection with the above matter about which I wrote you on the 25th inst, may I bring to your attention the action of the Commission in dealing with the case of Mr. George P. Mackenzie as outlined in your Secretary's letter of May 15 to the Deputy Minister of the Interior, in which it is stated that the Commissioners are agreeable that a living allowance of $3,000 should be included as part of salary for superannuation purposes.

Mr. Mackenzie was formerly a mining recorder in Yukon, and later Gold Commissioner in Yukon, in which position he was exactly on a par with other civil servants whose remuneration was paid partly under the heading of salary and partly as living allowance, and he also paid into the superannuation fund a percentage of the total amount of remuneration, both salary and living allowance.

When Mr. Mackenzie was brought to Ottawa and placed in another position, his remuneration continued to be paid to him partly as salary and partly as living allowance. The fact that his living allowance was continued at Ottawa seems conclusive evidence that the Commission considered the total amount paid him, both as salary and living allowance, to be remuneration, and the same terms were continued at Ottawa. The Commission, as above stated, is on record that his living allowance should be included as part of salary for superannuation purposes.

I have no desire to criticize the action of the Commission in so dealing with Mr. Mackenzie, but I say that it is entirely inconsistent for them now to deal with Mr. Mackenzie's co-employees who are being remunerated on exactly the same terms as Mackenzie, on a less generous basis, and I trust that you will see your way clear to alter the classification in which you have placed these Yukon civil servants.

I never got a reply to that.

Well that is my experience with the Civil Service Commission.

By Mr. MacInnis:

Q. How long was Mr. Mackenzie in Ottawa after being retired from the Yukon?—A. Well he is here yet, but he is not in Government employ. And —(the Civil Service Commission I believe approved of this too) he had either six months, or a year, leave of absence, I am not quite sure which, and they continued him on full pay throughout that leave. Mr. Mackenzie was retired from the service on the 30th June, 1931. After that he was allowed his accumulated leave of absence, whatever that was. But I am not quarreling with that at all, or with the terms upon which the Civil Service Commission recommends his retirement, but I say they should give the same terms to the men who worked side by side with him in the Yukon territory, where he was taken into the Government service.

Q. When did he retire from the Yukon?—A. About 1924.

Q. He was then in Ottawa, and paid the same salary and same living allowance as while he was in the Yukon?—A. Yes.

Q. The point I would like to get some light on is, if he was paid a living allowance of $3,000, because he had to live in the Yukon, why was that continued when he came to Ottawa?—A. The fact is he was paid a salary of $8,000, call it what you will. They chose to call $5,000 of it salary and $3,000 living allowance, but when he came to Ottawa, where it is not customary to pay living allowance, he being an accepted and graded civil servant, supposed to have some rights, and they having removed him from Yukon as Gold Commissioner, not because he was not properly carrying out his duties but just because they chose to make a change, they felt they must continue to pay him just as big a salary as he had in Yukon. Which was fair and right.

The CHAIRMAN: Maybe it is just as expensive living at the Chateau Laurier as in the Yukon?—A. I do not say he lives at the Chateau, but it goes to establish the principle that I want you to realize, that is that these total sums are the compensation on which superannuation should be based.

Mr. MACINNIS: I agree with you on that, but I want to try and find out why it was allocated in that way.

Mr. CHEVRIER: Some one else can say that, I do not think it is fair to ask this witness.

Mr. ERNST: The files will be the best answer for that. Apparently Mr. Black has shown great inconsistency on their part; now, it is for the Commission to explain.

The WITNESS: I had it from an old-time civil servant here that when the original government employees were sent into the Yukon salaries and wages were much higher in there than they were in the rest of Canada, and rather than pay what appeared to be an enormous salary, for instance $8,000 or $10,000 as the case may be, for the position of Gold Commissioner, it looked better to the public to give it part as salary and part living allowance. That is the way the practice began, I am informed.

By Mr. MacInnis:

Q. I presume the reason would be that they would pay them the same salary for the position that would be paid in any other part of Canada, where living expenses would not be so high, so as to have the salaries on the same basis, and to make up the difference they paid a living allowance.—A. Yes.

Q. Then I am wondering how can they justify paying the living allowance when they come back, say to Ottawa?—A. Well if it was, in fact, being paid as living allowance, there would be no justification for it. But if, as the fact is, it was salary, they had no reason for reducing the man's salary.

Q. Unless they make an exception of Mr. Mackenzie, it must of necessity have been taken by the Civil Service Commission as a living allowance, because that is the way they have looked on it in all other cases.

Mr. CHEVRIER: I do not think it is fair to the witness, or to the Commission, or to Mr. Mackenzie, to try to get that information in this way. Some one can explain why Mr. Mackenzie is getting what he is getting, I do not think we should try to get it out of Mr. Black. It ought to be explained by the Commission.

The CHAIRMAN: But Mr. MacInnis is surely entitled to ask the witness for his views on it, if he has any. If I get the point Mr. MacInnis is trying to make, it is that the fact that they pay Mr. Mackenzie treating the allowance as salary makes it very obvious that they are discriminating against the others when they say to them, only that which we say was your salary was salary, and you should get superannuation only on that basis. Mr. MacInnis points out that Mr. Mackenzie was living in Ottawa, and yet it was not called living allowance in his case, while the other people were still living in the Yukon, and it was not salary in their case.

Mr. CHEVRIER: With that I have no quarrel. Mr. Mackenzie is getting $8,000 now for some reason. I quite agree with Mr. Black that there is something peculiar about it, but I do not think we are getting the proper explanation. Let us get that explanation from the proper source.

The WITNESS: In my opinion, you can take it for what it is worth, the Commission did exactly right in dealing with Mr. Mackenzie, and is doing entirely wrong in dealing as it does with the others.

Mr. ERNST: We have no licence to inquire into Mr. Mackenzie's salary as such. Our reference covers the acts of the Commission only.

Mr. CHEVRIER: That is what I say. We have obtained the facts from Mr. Black; now let us hear the Commission's side of it.

The CHAIRMAN: Have you anything else, Mr. Black?

The WITNESS: No. I said there was nothing else, but I should like to be allowed to add another citation to strengthen the case which I think those Yukon employees have. I am quoting from the report of the Auditor General for the year ending March 31, 1931, volume 1 at page lv:

> *Gratuities to Families of Deceased Employees.*—Section 56 of the Civil Service Act (R.S.C. 1927, Chap. 22) makes provision, in the event of a person dying while in the Civil Service, for the payment of an amount

equal to two months' salary to his widow or to such person as the Treasury Board may determine. In the Introduction to my report for 1929-30 (page xlviii) I referred to one difficulty which had been met with in the application of this provision. A question having subsequently arisen regarding the interpretation to be placed on the word "salary" in the section referred to above, I submitted the matter to the department of Justice who replied that the gratuity should be paid "upon the basis of the compensation provided under the Civil Service Act for the particular position in each case concerned, or in other words, upon the basis of the salary paid in cash, plus the value of allowances, whether in cash or in kind, which really forms part of the compensation or emoluments attached to the position."

There is the Auditor General and the Deputy Minister of Justice, again.

Mr. Bowman: Might I suggest that the files in connection with these matters be made available to Mr. Black, and perhaps at a later date he might have something to add.

The Chairman: Mr. Putman has the files here for the Committee.

Mr. Putman: No.

The Chairman: Would you let us have them when you have the files complete this afternoon? We shall probably be sitting this afternoon, and then, Mr. Bowman, we will make them available to Mr. Black. If there is anything that Mr. Black wishes to add to his evidence, he will be given the opportunity. Thank you, Mr. Black.

Gentlemen, I did not arrange for any other witnesses this morning; as certain of the members had committments for 12.30, I anticipated a comparatively short session. So we will have no further evidence this morning. Is there any other matter that any member would like to deal with?

Mr. Ernst: I should like to make a motion for some specific documents, which I believe are in the custody of the Commission. Perhaps I should say a word by way of explanation. There was a report made on the organization of the Commission by two members of the Commission staff, Mr. Kemmis, and Mr. Simmins, in, I believe, 1927.

I am moving, seconded by Mr. Bowman:

For production of the original order of the Civil Service Commission directing an investigation into the organization of the Civil Service Commission by Messrs. A. C. Kemmis and R. G. Simmins in or about the years 1926 or 1927, together with any memorandum, or memoranda, containing any notation, or notations, as to the reasons for the decisions of the Chairman of the Commission and Commissioners Tremblay and MacTavish in relation thereto;

Also for the original report of Messrs. A. C. Kemmis and R. G. Simmins made in obedience to such order, together with any endorsations thereon, or memoranda attached thereto, by Mr. C. H. Bland, Chief Examiner, and Mr. C. V. Putman, Chief of the Organization Branch, and any other person or persons;

Also minutes of any meetings of the Commission for consideration of said report;

Also all correspondence between the Commission, or any member thereof, or any person, or persons, relating or referring to said report;

Also all documents of any kind or description relating or referring to said report.

The Chairman: Are there any objections?

Carried.

Mr. LAURIN: I would like to make a motion, seconded by Mr. Ernst:

For a return showing particulars of all expense accounts paid to the respective members of the Civil Service Commission for each of the years ending March 31, 1926, 1927, 1928, 1929, 1930, 1931 and 1932.

The CHAIRMAN: Is there any objection?

Carried.

Mr. ERNST: That refers only to the members of the Commission themselves; it does not refer to the employees of the Commission; it refers to Dr. Roche, Dr. MacTavish, and Mr. Tremblay.

The CHAIRMAN: Are there any other motions?

Mr. BOWMAN: I ask for the production of files relating to the Post Office at Sutton, Ontario.

All right, Mr. Putman, you have been already sworn.

C. V. PUTMAN, recalled.

By Mr. Chevrier:

Q. By virtue of what section of the Civil Service Act does this Civil Service Commission deal with superannuation?—A. Under the Superannuation Act, not under the Civil Service Act. The only thing which the Civil Service Commission has to do with that under the Civil Service Act is to certify whether or not a retirement is in the public interest. The question which came up this morning was only incidental, in that the matter was referred to the Commission by the Treasury Board, and the Treasury Board and the Commission were asked for an opinion.

Q. That is the way it came to you?—A. Yes.

Q. That is all right. I have nothing more to ask you.

By the Chairman:

Q. Under the provisions of the Superannuation Act?—A. Yes.

Q. The Civil Service Commission act in matters of superannuation under the provisions of the Superannuation Act?—A. Yes, sir.

By Mr. MacInnis:

Q. Matters with which we were dealing this morning were under the Superannuation Act?—A. Partially; because there was a question of salary involved, it comes under the Civil Service Act, as to the question of salary.

By the Chairman:

Q. Mr. Putman, could you tell me who in the Civil Service Commission would be dealing with the matter referred to by Mr. Black this morning?—A. I think probably you will want me.

Q. If so, would you be ready by 3.30 this afternoon?—A. I would try to do so. There are some ten or twelve files which are wanted this morning.

The CHAIRMAN: All right, 11 o'clock to-morrow morning.

The committee adjourned to meet Thursday, April 21, at 11 o'clock, a.m.

HOUSE OF COMMONS,

April 21, 1932.

The Select Special Committee to inquire into appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 11 a.m., Mr. Lawson presiding.

The CHAIRMAN: I think Mr. Ernst has promised to keep us busy this morning. Whom do you want to call?

Mr. ERNST: Before I start, Mr. Chairman, I wish, in justice to the officials of the Civil Service Commission, to make a statement as the investigation proceeds. It must be obvious that someone has given me inside information in respect to certain matters, someone within the list of employees present or former employees of the Civil Service Commission. The gentleman who gave it to me has asked me to mention his name, Mr. Grierson, clerk, Grade 4, who is not now on the staff. That is in order that no blame may be imputed to others.

I would like to call Dr. MacTavish.

Dr. NEWTON MACTAVISH, called.

The CHAIRMAN: Dr. MacTavish you have already been sworn.

By Mr. Ernst:

Q. Before we go on, Mr. Chairman, in view of the nature of this file, I want to make a request. I do not know of it ever having been done before in Committee, although it has been done in court. The file relates chiefly to Dr. MacTavish and Mr. Tremblay, and I wanted to have one excluded from hearing the other's testimony. I do not need to make a motion, as I see Mr. Tremblay has gone out.

The CHAIRMAN: I think it is only fair to comment that I think that was very commendable on the part of Mr. Tremblay.

Mr. BOWMAN: I have not had an opportunity of looking at this file, but from information which I have received, I understand that there are certain statements made with respect to two men interested in the file, one of whom is still a public servant.

Mr. ERNST: Perhaps we can cross that bridge when we come to it. We may not come to it for some time.

Mr. BOWMAN: You have in mind what I am thinking of, Mr. Ernst, and I think in all fairness there should not be too much publicity to the matter, if it can be avoided.

Mr. ERNST: Perhaps when we come to that we will find the press will co-operate with us.

The CHAIRMAN: I have always found the press very willing to co-operate with us so as not to do any injury to anybody.

Mr. CHEVRIER: I do not know with what this has to do.

Mr. ERNST: The file I have to do with is that relating to a report by Kemmis and Simmins, of March and April, 1927. I saw the file for the first time last night, and I gained my knowledge of it between the time I got it and one o'clock in the morning.

Mr. CHEVRIER: Of course if there is anything serious about it, the writers ought to be protected.

Mr. ERNST: There is nothing of that in the inspection, at any rate.

Q. What was the date of your appointment to the Civil Service Commission, Dr. MacTavish?—A. June, 1926.

Q. And when did you start to function as a Civil Service Commissioner? —A. Shortly thereafter. I did not come for all the time until perhaps a month after, but I was down repeatedly during that period.

Q. Well, some time during July or August, 1926?—A. Yes, somewhere about that time.

Q. I find in this file the following minute, bearing date March 29, 1927, signed "J.E.T." and "N. MacT.".

Mr. CHEVRIER: Would you mind identifying the file, please?

Mr. ERNST: The file is marked "Confidential Papers *re* Kemmis-Simmins Report."

Q. I find the following minute, Dr. MacTavish, signed apparently by you and Mr. Tremblay:—

> The secretary was instructed to have Messrs. Simmins and Kemmis submit to the Commissioners whatever suggestions they may have with reference to possible improvements in the methods and procedure of the Commission.

That is dated March 29, 1927?—A. Yes.

Q. Do you know when that matter was first considered by the Commission as a whole?—A. No. I have not seen that file, I do not think, ever as a file. I certainly have not seen it in some years. I do not know when it was considered as a whole, by the Commission as a whole I mean.

Q. Was it considered by the Commission as a whole prior to the time the minute was first made?—A. I cannot tell you that. It might have been.

Q. Was it considered by you and Commissioner Tremblay in conjunction before the minute was first made?—A. I think likely it was.

Q. Can you tell me, Dr. MacTavish, on what basis you selected Mr. Simmins as one of the persons to make that investigation?—A. Yes, he was one of our investigators and we wanted a report specially on the Organization Branch and the Examination Branch. We did not wish a report from the heads of those branches at that moment, so we asked Major Simmins and Mr. Kemmis,—

Q. Confine yourself for the moment to Major Simmins?—A. Yes, we asked him, but we did not ask him singly; they were asked together.

Q. I am not suggesting that, but I am asking you what qualifications made you pick out Major or Mr. Simmins, to make that report. He calls himself Major Simmins?—A. Yes, and I think he was a major.

Mr. ERNST: So am I, but I do not use it.

The WITNESS: I myself thought he was qualified to make such a report.

By Mr. Ernst:

Q. On what information did you come to that conclusion?—A. Well, what we would see of his work there.

Q. Tell me what particular information with respect to his work made you come to that conclusion?—A. No particular information.

Q. He was one of seven men then in the Organization Branch?—A. I presume there were seven.

Q. The file shows later that there were seven?—A. I suppose there were seven.

Q. There had originally been ten, I think, and the organization staff was then down to seven investigators and Mr. Putman?—A. Yes.

By the Chairman:

Q. Why were the heads of the departments or branches passed over?

Mr. ERNST: I am coming to that, Mr. Chairman.

Q. I am asking you what, in particular, about the qualifications of Mr. Simmins made you choose him?—A. Nothing in particular. We thought he could give us the needed information. At least I thought so.

Q. What did you have before you with relation to Mr. Simmins, when you chose him?—A. Just his record as an investigator and what I saw of him.

Q. What part of his record as an investigator did you have before you when you made that selection?—A. Just his general record.

Q. Did you have his personal file?—A. Possibly I did, I do not know. I had the privilege of doing that, but I do not know whether I did have the file or not.

Q. What made you select him in preference to the other six investigators? —A. Might I amplify that?

Q. As long as you answer the question?—A. I will answer it as best I can. It will require a little explanation. I was a new Commissioner, and I had heard many complaints, many rumours, such as I presume you gentlemen have recently heard. There were all kinds of charges and such like made against the procedure especially as to delays in procedure; and we were confronted with that situation very considerably. I was unable to make a proper explanation to anybody who would make that charge to me, and I had it very frequently. It was against the delays in two branches,—

Q. The examination and the organization?—A. Largely those two branches.

Q. To come back to my point; at that moment, my question was not what led you to make an investigation, but what led you to select this particular investigator to make the report?—A. I was coming to that. Somebody had to supply us with the information, if we got it. Somebody had to supply that. I discussed the matter with Mr. Tremblay and he discussed it with me—

Q. That is, before you approached Dr. Roche about the matter?—A. Yes, we had not discussed it with Dr. Roche at that moment.

By Mr. Bowman:

Q. Do you say you had not discussed it with Dr. Roche?—A. As I recollect the circumstances, we had not; and we decided that Mr. Simmins was qualified —I will not say the best qualified, but was qualified to make a report.

By Mr. Ernst:

Q. I am trying to get the particular reasons which led you to select Simmins in place of somebody else on the staff?—A. We might have taken somebody else, but we just determined upon him. I could not say whether he was specially qualified, but he knew the details.

Q. Can you say that the other six were not qualified?—A. Oh, no.

Q. For what reasons did you choose Mr. Simmins?—A. For the reason that we thought he was qualified.

Q. Was he the senior investigator?—A. I do not think so.

Q. Next to Mr. Putman?—A. I do not know. Possibly he was.

Q. Did you discuss the matter with Mr. Putman prior to choosing Mr. Simmins?—A. No.

Q. Mr. Putman was Chief of the Organization Branch?—A. Yes.

Q. And you did not discuss it with him before appointing Mr. Simmins? —A. No.

Q. Did you discuss it with Mr. Simmins before making the appointment? —A. Yes, I asked him if he would.

Q. What information did you have before you as to Simmins' particular qualifications?—A. None, except what I say.

Q. You have not told me anything as yet?—A. Yes, I say that I considered he had qualifications and experience enough to make that investigation—we wanted a report; it was called an investigation, but it really was not an investigation.

Q. What was the basis of forming that conclusion?—A. None but his experience.

Q. What was his experience?—A. He had been there for some years as an investigator.

Q. For how long?—A. I do not know, but he was there a considerable time before I went there. His file no doubt would show; I do not know.

Q. I am afraid it does not, because it only relates to present employees? —A. Mr. Putman could say, no doubt, offhand; but I am not able to say at the moment.

By Mr. MacInnis:

Q. Were you acquainted with him before you came onto the Commission? —A. No, I never saw him before.

By Mr. Ernst:

Q. Was there any particular qualification which impressed you?—A. He had the largest department.

Q. What was that?—A. That of Interior.

Q. Was there any particular work in connection with that?—A. No particular work. He had practically all the work to do.

Q. Do you remember anything that particularly impressed itself upon your memory in reference to that?—A. No.

Q. Who first suggested Mr. Simmins, you or Commissioner Tremblay?—A. I do not know; I could not say. We discussed the whole situation, and he may have suggested it or I may have; I do not know.

Q. Did you have any personal files before you?—A. I do not think so; we may have; I do not know that I had.

Q. Now, with reference to Mr. Kemmis, what led you to choose Mr. Kemmis from the Examination Branch to make that investigation?—A. The same reasons I have given you apply to Mr. Kemmis.

Q. I would like to know. I forget the number of examiners—

Mr. Bland: Ten examiners.

By Mr. Ernst:

Q. Ten examiners, seven on the organization staff. What led you to choose Mr. Kemmis from that ten?—A. The same reasons, exactly, as I gave for Mr. Simmins.

Q. What had you seen of Mr. Kemmis' particular work which impressed you?—A. Well, I thought he was a good examiner. I thought possibly he knew, or should know, the special routine and how we might speed it up.

Q. You knew that Dr. Roche had been Chairman of the Commission for a very considerable time?—A. Oh, yes.

Q. Prior to signing the minute quoted, did you discuss with Dr. Roche the qualifications of either of these men to make the investigation?—A. I do not think I did.

Q. You discussed them with Commissioner Tremblay?—A. Yes.

Q. Did you discuss with Mr. Bland the qualifications of Mr. Kemmis to make a report on the organization of the Examination Branch?—A. No.

Q. His work was not organization, but it was that of an examiner, was it not?—A. Mr. Kemmis was an examiner.

Q. Not an organizer?—A. No.

Q. Did you have Mr. Kemmis' personal file before you?—A. I do not recall that I had. I may have had, but I do not recall that I had.

Q. Did you have any knowledge of his personal habits and particular qualifications?—A. No.

Q. None?—A. Habits?

Q. Personal habits?—A. I know nothing about his personal habits.

Q. Did you know anything about his qualifications?—A. Oh, yes.

Q. What particular qualifications impressed you with reference to Mr. Kemmis?—A. I was impressed in the same way as I was with Mr. Simmins as an investigator.

Q. But he was an examiner?—A. I say, as with Mr. Simmins, as an investigator.

Q. What impressed you?—A. The work he was doing and his personality and the way he seemed to seize on his work. I cannot name any particular instance of it, but you form an impression of a man whom you see from day to day.

Q. Would you see Mr. Kemmis from day to day?—A. Not every day, but occasionally.

Q. Frequently?—A. I would not say more than once a week, and probably not that often.

Q. Would he be in your office discussing things with you?—A. He might come with a file to ask me something about it, or I might call him in.

Q. To ask him about a particular file relating to examination?—A. I suppose about that.

Q. I suppose you had the same contact with every examiner on the staff?—A. No, I had not.

Q. I mean with those who examine in the departments allotted to you?—A. For instance, Mr. McNaughton, in the Customs, which was one of my departments, I would frequently see; but some of the other examiners I might not see very often.

Q. Did you check up Mr. Kemmis' qualifications, that is from the standpoint of experience and education. to see how he would measure up to such a task?—A. No, I do not know that I did.

Q. Did you discuss the matter with Mr. Kemmis before the minute of March 29, 1927?—A. I think I asked him, as I say, as with Major Simmins, whether he would make a report. Pardon me, if I might amplify that again. This was not an investigation but it was to be a report as to how the machinery, if I might put it in that way, of the Commission might be improved. If these delays existed, I myself, I know, and, I imagine, Commissioner Tremblay had the same idea that we would like to improve the system, if it could be improved.

Q. Why, Dr. MacTavish, did you not ask Dr. Roche's opinion of the merits of these gentlemen, inasmuch as you were comparatively new to the Commission?—A. There was no reason at all.

Q. Can you give the Committee any reason?—A. No reason at all.

Q. Why did you confine your conversations to Commissioner Tremblay?—A. No reason except again I have to amplify that—Dr. Roche had been here for a considerable number of years—

Q. And consequently he would know the staff better than you did?—A. I have not finished—and this procedure had been going on for years very much the same, and apparently he was satisfied with it. I cannot speak for Dr. Roche, however.

Q. Did you ask him if he was satisfied or dissatisfied?—A. No, I do not think so. I do not remember discussing it with Dr. Roche before it was decided to have the report from Kemmis and Simmins.

Q. You and Commissioner Tremblay came to the conclusion that you would have Kemmis and Simmins make a report, and then you interviewed Dr. Roche?—A. I cannot say that.

Q. You had Commission meetings?—A. We had meetings of the staff.

Q. I mean before you made the minute of which we are speaking?—A. I cannot recall that.

Q. Did you have any meeting with Dr. Roche before you and Commissioner Tremblay finally decided to have Messrs. Simmins and Kemmis make a report with reference to possible improvements in the methods and procedure of the Commission?—A. I think you did not finish the question, Mr. Ernst.

Q. Did you have any conference with Dr. Roche before you and Commissioner Tremblay came to the definite conclusion that you would have these two men make the report in question?—A. If I remember, I think I did not.

Q. Was it on March 29, 1927, you first broached the subject to Dr. Roche? —A. I cannot tell you that. As I said at the beginning, I have not seen the file since, and I have not thought much about that incident. It was only an incident. I do not know whether I consulted Dr. Roche about it or not.

Q. Did you ask Mr. Foran as to the respective merits of these men whom you had chosen, before making the minute?—A. I do not think so.

Q. Why didn't you confer with Mr. Putman, Mr. Bland and Mr. Foran as to the best available men to make the report?—A. I cannot answer that any better than this, that those three in a sense—it looks like that, were under investigation, and why ask a man to make a report on himself?

Q. Why ask a junior in a branch, as a matter of practice, to make a report involving his senior officer?—A. My impression then was that if we had a report from the men who were at the head of these branches it would be a favourable report.

By Mr. Bowman:

Q. Is that your opinion of Mr. Bland and Mr. Putman?—A. That is not my opinion now, Mr. Bowman.

Q. But you had that in your mind prior to that?—A. Well, it is human nature that they would try to justify their procedure.

By Mr. Ernst:

Q. Did you consider it sound practice to take a junior and ask him to investigate the practice of his senior?—A. Well, these gentlemen were not juniors.

Q. But you knew Mr. Simmins was directly under Mr. Putman, and Mr. Kemmis was directly under the control of Mr. Bland, did you not?—A. Yes.

Q. And before either of them could act, they had to be released respectively from their ordinary duties as organizer and examiner?—A. I do not know when they did the work.

Q. Before either of them could act, they had to be released from their ordinary duties?—A. Oh, no, they might have done it after hours or at night.

By Mr. Bowman:

Q. Was that your idea?—A. No, but I do not know when they did it. At any rate, if we instructed them—I do not know that we did—if we instructed them to make a report, they could be released or take overtime to do it.

By Mr. Ernst:

Q. I ask you again, Dr. MacTavish, do you consider it sound practice, as one of the heads in a body like your Commission to ask a junior officer to make

an investigation and report, possibly, as to the conduct of his senior?—A. You disagree with me in stating these men were juniors. One was a senior investigator and the other a senior examiner.

Q. I used the term relatively. You know perfectly well what I mean?—A. No, I do not. If you mean junior to the heads of the branches,—

Q. I have explained that to you?

Mr. MacInnis: A subordinate.

By Mr. Ernst:

Q. Did you consider it sound practice to take a subordinate and ask him to make a report on his senior?—A. Yes.

By Mr. Bowman:

Q. Do you still think that?—A. No.

Q. What has changed your mind?—A. For one thing, the report of the two gentlemen was received, and we decided that the complaints made to us were on the whole not justified, and we did not make any great changes, although I believe some changes in procedure have been made since.

By Mr. Ernst:

Q. We will come to that. There were some mitigating factors?—A. Yes.

The Chairman: When was it that Simmins and Kemmis were asked to make this report?

Mr. Ernst: On the 29th March, 1927, they were directed by this minute. Then on the 31st March—I will read this because the suggestion is now as to the advisability of a subordinate reporting on his senior:—

> I do not desire to be a consenting party to the procedure suggested by my colleagues. I see no good reason why, when a survey of staff matters is considered necessary, the invariable practice should not be followed, viz: by authorizing the responsible head or heads of branches to submit a report, and in doing so they have the privilege of consulting and conferring with any or all of the subordinate officers of the staff. This is the practice followed in the various Departments of the Government, and the suggested departure from this procedure will in my opinion prove subversive of good discipline, and will unnecessarily engender ill feeling on the staff.
>
> (Sgd.) W. J. R.
>
> 31-3-27, March 31, 1927.

Q. So that before you proceeded with your project, Dr. Roche pointed out the very danger which my question suggests to you?—A. Yes.

Mr. Chevrier: We are now trying to pass judgment on an officer of a board who, by statute, is vested with discretionary powers?

Mr. Ernst: Yes.

Mr. Chevrier: I have never heard of anybody trying to review such a judgment. I just want to make that statement.

Mr. Ernst: If the discretion is abused, I do not know of any way in which to find out whether it is abused or not, other than this. And if we cannot inquire into it, God help the officials.

Mr. Chevrier: I have raised my objection.

The Chairman: We cannot determine anything, until we have heard the evidence; as far as my responsibility is concerned, where it is a matter of discretion, I should not be inclined to censure anyone in the exercise of a discretion, unless there are factors which indicated it was not a true exercise of true discretion.

Mr. CHEVRIER: I think that is a very sound principle of law. But following that up, I do object to this most elaborate questioning of the exercise of the witness' discretion. I just repeat again that the way to go at it is to get the witness to say what he did, and then, if there is to be a judgment upon the exercise of his discretion, it is for us to decide; but not to go into this elaborate cross-questioning.

The CHAIRMAN: For the life of me, I do not know of any other method of determining upon a man's exercise of his discretion, unless we know his motives or reasons which caused him to exercise his discretion as he did.

Mr. ERNST: I may say, Mr. Chairman, that I find this file sufficient justification for the questions which I am asking.

Q. I ask you, Dr. MacTavish, before you proceeded with your project, were you aware of Dr. Roche's objection and the basis for it?—A. Yes.

Q. And, in the face of that, you decided to proceed?

Mr. CHEVRIER: Do you not see how that works? Mr. Ernst is examining Dr. MacTavish on this particular subject, trying to find fault with the exercise of his judgment, and, at the same time, will evidently not try to find fault with Dr. Roche's statement.

Mr. ERNST: I am not suggesting that at all. Dr. Roche is also going to be called in relation to this matter; and it is a question for the Committee, if they see facts not being brought out, to exercise their judgment.

Mr. CHEVRIER: I am making my position understood.

Mr. ERNST: I am not prosecuting or persecuting, but I want the whole of the facts.

Q. Did you give Dr. Roche the reason which you have given this Committee for having this report made by Messrs. Kemmis and Simmins, either after or before the minute?—A. Oh, I think afterwards, I rather think so, but I cannot recall it.

Q. Not before this minute was made?—A. No.

Q. Was Dr. Roche present when you and Mr. Tremblay made the minute on the 29th March, 1927?—A. Not that I recall.

Q. You made your minute and passed it to him?—A. Very probably.

Q. Because two days later I find his notation of dissent?—A. Yes.

Q. Are you prepared to swear that after that dissent you conferred with Dr. Roche in connection with the matter before proceeding with the project? —A. I do not think so. I do not remember that we did.

Q. I find that on the 1st April the secretary, in obedience to the minute, wrote the following letter:—

> DEAR MR. SIMMINS,—I beg to inform you that at a meeting of the board held on Tuesday last a motion was adopted, at the instance of Commissioners MacTavish and Tremblay, instructing myself to have you and Mr. Kemmis submit to the commissioners whatever suggestions you may have with reference to possible improvements in the methods and procedure of the commission.
>
> I am arranging with the Chief of the Organization Branch to have you relieved of all other work in order that you may devote your full time to the preparation of the report desired by the Commissioners.
>
> Yours truly,
>
> Secretary.
>
> R. G. SIMMINS, Esq.,
> Civil Service Commission,
> Ottawa, Ont.

Then I find a letter, under the same date, to Mr. Kemmis, the only difference being in the last paragraph:

> I am arranging with the Chief of the Examination Branch to have you relieved of all other work in order that you may devote your full time to the preparation of the report desired by the Commissioners.
>
> Yours truly,
>
> Secretary.

Before those letters were written, did you have any consultation with Mr. Foran, or Mr. Bland, or Mr. Putman, with reference to the matter?—A. I cannot recall that I had, although they all appeared at a board meeting, they and one or two others.

Q. When,—before or after the report?—A. As I say, it is hardly,—I do not like to say fair,—but, as I say, I have not seen that file and I do not know that I ever saw the file.

Q. I gave you the file?—A. Yes, but I did not know those letters were there. I did not know even that they had been written. But whether these people came in before or after they were written, I cannot say.

Q. As a matter of memory, did you have any consultation either with Mr. Foran and/or Mr. Bland and/or Mr. Putman,—make it in the alternative, if you wish,—they with you and/or Mr. Tremblay?—A. I had not.

Q. Did you and Commissioner Tremblay together have any meeting with all these gentlemen, or with any of them, before authorizing these gentlemen to proceed?—A. No, we had a board meeting at which they all appeared.

Q. Who was present?—A. I presume all of us; the minute would show.

Q. There is no such minute on the file. I have gone through the file with care?—A. I presume the minute would not be there.

Q. I have asked for a complete return of every document made relating to this matter?—A. If there was a minute, I presume it would be there.

Q. Were you present at any meeting at which Mr. Foran, Mr. Bland or Mr. Putman was present before instructions were given to Messrs. Kemmis and Simmins to carry out this investigation or to report?—A. I cannot recall that. As I say, they did come in to a meeting, but when that meeting was I cannot say.

Q. How many meetings did you have in respect to that?—A. We would call on all the heads of branches only once.

Q. Before or after the report?—A. I think it would likely be after the report. You see, they were all asked to make reports.

By Mr. Chevrier:

Q. I have not interfered very much. May I ask this: Is it necessary when you give out instructions of that kind, to summon all of these men, before you instruct them? Was it necessary to call Mr. Bland, Mr. Putman and Mr. Foran when you as an officer of the Commission issued instructions?—A. No, not unless we thought it was necessary or advisable.

By the Chairman:

Q. As there has been an interruption, there is something in my mind. Dr. Roche apparently recorded his dissenting judgment in respect to this proposed inquiry or investigation, or whatever you want to call it, on the 31st March, 1927. Did Dr. Roche's dissenting judgment come to your attention before the inquiry or investigation was actually gone on with?—A. I cannot tell you that. I am sorry my memory is not sufficient to tell that.

By Mr. Ernst:

Q. Were Mr. Kemmis and Mr. Simmins, or either of them, in consultation with you during the preparation of their report?—A. Not with me, no.

Q. Or with Commissioner Tremblay, to your knowledge?—A. No.

Q. Was the substance, or the matter, of what the report might, or might not, contain discussed with them prior to their undertaking the task?—A. If it was, I do not recall it. I gave no instructions as to it or no information.

Q. The next I find is the report of Messrs. Simmins and Kemmis,—

The CHAIRMAN: Is there nothing on the file as to what instructions these men had as to what they were to do?

Mr. ERNST: The file is blank, beyond what I have given you.

The CHAIRMAN: It is obvious then that these men started on their job, with verbal instructions.

Mr. ERNST: There is nothing in writing on the file to show what instructions they got.

Mr. CHEVRIER: After having said that there was nothing on the file to show any written instructions, Mr. Ernst proceeds to say, obviously they must have had verbal instructions. It is not obvious.

Mr. ERNST: They got a letter which says, "I beg to inform you"—

The CHAIRMAN: Mr. Ernst is being charged with something I did. Having asked Mr. Ernst if there was nothing on the file, I was then turning to Dr. MacTavish and asking a question which I was putting in this form: Obviously, if there were no written instructions on the file then these men must have started in to make this inquiry without instructions, or they must have had verbal instructions.

Mr. CHEVRIER: I have no objection to that. Mr. Ernst did not put it in that way.

By Mr. Ernst:

Q. Did you give them instructions?—A. No, but I had said, if it is possible to speed up on our machinery,—some call it red tape,—if we can speed up, that was the main thing, and improve the procedure, let us know how.

Q. Those were your instructions, then, to these gentlemen?—A. Well, that was what we wanted.

Q. And you told them?—A. Yes.

Mr. BOWMAN: Would not the report show that?

By Mr. Ernst:

Q. But obviously a man does not make a report without being told on what he is to make a report. If you send out a Royal Commission, it would not go without instructions?—A. This was not a Royal Commission. We wanted information, which was rather difficult to get.

The CHAIRMAN: That has been our experience so far.

By Mr. Ernst:

Q. This report consists of some 23 pages, together with a chart or two charts, one showing the existing organization of the Commission, and another showing the proposed organization. I wonder can you tell me, or can Mr. Bland tell me, whether there are additional copies of this report available as such,—I am not interested at the moment in the memoranda attached?

Mr. PUTMAN: There are one or two, but without the charts.

Mr. ERNST: The charts are important.

Mr. PUTMAN: It would be very easy to get additional copies of the charts.

Mr. ERNST: The report should be available for the Committee.

Mr. PUTMAN: I think copies of the report could be made immediately available.

Mr. ERNST: Perhaps copies could be made for the Committee; one to go into the report, as an appendix. I read it through last night and it sounds highly technical.

The WITNESS: I think so.

By Mr. Ernst:

Q. I do not think it would serve any good purpose to read this into the record. There are two pages from which, however, I would like to read extracts. At page 9, Postmasters:

> At present these competitions are advertised by the Post Office Department without reference to the Commission except that the department forwards a copy of the advertisement to the Commission. The applicants are personally interviewed by a post office inspector who makes a careful and detailed report to the department on each, taking into consideration the personal character of the applicant, his experience and his suitability from the Post Office viewpoint, the nature of the building which he can supply for use as a post office, and its advantage or disadvantage in position. This report lists the candidates in order of merit from a Post Office standpoint, and the Returned Soldier applicant is given full consideration.
>
> This report is forwarded by the inspector to the department, and by the Deputy Postmaster General to the Commission with his remarks, if any. Under the present procedure, the examiner in charge of the Post Office Department, on receipt of this report, submits a long memorandum on the case to be passed by the secretary or other senior officer to the Commissioners. This memorandum is a recapitulation of the statements made in the report of the post office inspector and is, in reality, superflous. It is suggested that the postmasters' appointments should be placed under the certification branch under the direct charge of the head of that branch for attention. The reports, when received, should be transmitted direct by the head of that branch to the Commissioner with a form memorandum merely submitting the report of the inspector and Deputy Postmaster General to the Commissioner for consideration and action.

The CHAIRMAN: Excuse me, Commissioner or Commissioners?

Mr. ERNST: Commissioner. When we get to the chart it will be apparent what is meant by that. Under the Simmins-Kemmis project, one Commissioner was to handle all appointments from the examination branch; one junior commissioner was to handle everything relating to the examination branch; the other, all that related to the organization branch; and the Chairman is left in the air, as far as I can see.

The WITNESS: Well, he has not been.

Mr. ERNST: No, it was not adopted.

Mr. CHEVRIER: Do you say that the whole of that report was never adopted?

Mr. ERNST: I do not know that any part of that report was adopted.

The WITNESS: No, it was not.

Mr. CHEVRIER: Then we are investigating something which was not adopted?

Mr. ERNST: We are investigating the conduct of the Commission. This report proceeds:

> Should there be anything special in the report to which the head assignment clerk thinks the attention of the Commissioner should be especially called, a memorandum to that effect would be in order. The number of postmasters appointed in 1926 was 264. A great saving of time and labour would be effected if this recommendation is adopted, and more efficient service given to the department.

Then, at page 13, is a similar suggestion, or a suggestion with reference to Commissioners, which perhaps I do not need to read, that one Commissioner, as I have stated, is to have charge of the examination work, and the other of organization. Now, Doctor, I come to that next,—

Mr. BOWMAN: I think that should be read into the record.

Mr. ERNST: All right. At page 13, paragraph 18:—

> In order that the Board may be brought into the closest possible touch with the actual busines of the Commission without, however, being overburdened with unnecessary detail, it is suggested that one commissioner should take under his personal direction all matters of organization and classification, and another all examination procedure. This need not add materially to the Commissioners' present duties, but will have the great advantage of enabling the Board to have first-hand knowledge of the business to be transacted. It will also speed up the work, as the commissioner in charge of organization, for example, would naturally give authority for the investigation of cases, requests for which are now submitted in memorandum form to the Board and take several days to be approved. The Examination Commissioner could relieve the Board of much detail by approving general matters in connection with examinations and appointments which now require the approval of two or more Commissioners. Under this scheme a commissioner would, in effect, have the general direction of one of the two main branches of the Commission. All memoranda should be signed by the officer who makes the report, as it is considered essential that the commissioners should have the views of the employee who has actually done the work. A further advantage of this suggestion is that the commissioners would have personal knowledge of all important cases and would seldom have to call for special reports. A simple form of progress return should be instituted in order to check up on the work of the two branches and to avoid the side-tracking of cases which now occasionally occurs.

Now we come to the charts.

Mr. CHEVRIER: Is there anything there which shows what two Commissioners would have charge?

Mr. ERNST: Yes. Without the chart, the report would not be cogent.

Mr. BOWMAN: Mr. Putman will furnish each member of the Committee with a copy of both charts.

Mr. ERNST: With the existing chart—just to go over the procedure which we have had many times in evidence—everything both from the examination and organization branches goes through the assistant secretary, through the secretary, to the Commissioners as a body,—that is correct?—A. I believe so.

Q. Each Commissioner has certain departments assigned to him?—A. Yes.

Q. And his work is either approved or disapproved by his fellow Commissioners?—A. Yes.

Mr. CHEVRIER: That is the procedure in use to-day?

Mr. ERNST: Yes, and the one in use at that time.

Q. Under the proposed scheme, Dr. MacTavish, everything from the organization branch would go through,—

Mr. BOWMAN: Just minute. You had better let the Doctor see that.

The WITNESS: It is hardly necessary, as, I might say, I never took that seriously.

By Mr. Ernst:

Q. Everything from the organization branch would go addressed to one of the junior commissioners?

Mr. CHEVRIER: Is there anything to indicate that?

Mr. ERNST: Yes, the three names are at the top, the Chairman being at the head.

The WITNESS: But that was never taken seriously and was never adopted.

Mr. CHEVRIER: And no wonder you didn't.

By Mr. Ernst:

Q. I did not ask you that, Dr. MacTavish, but I say that under the proposal, all the work in the organization branch would come directly to either you or Commissioner Tremblay?—A. I do not know that. I would take your word for it, Mr. Ernst.

Q. No, take the chart for it. You can tell it as easily as I can, Doctor?—A. Well, I do not want to appear stupid but I do not—

Q. You see the line from the organization branch going directly up to one Commissioner?—A. Yes.

Q. And one from the other branch going directly to the other Commissioner? —A. Yes.

Q. So that the process of having either Mr. Bland or Mr. Foran pass on examinations would have been eliminated by this proposal, if it had been adopted?—A. If it had been adopted.

Q. And the process of having Mr. Bland or Mr. Foran pass on anything in relation to organization would have been eliminated, had this been adopted?—A. But it was not adopted.

Q. We will come to that later. That is correct, is it not?—A. That seems to be.

Q. So that the eligible list would have been left to one Commissioner, in the case of appointments, and the classification and salary would have been left to the other Commissioner in matters coming from the organization branch?— A. It appears so.

Q. Without the benefit of the advice of either Mr. Bland or Mr. Foran? —A. I presume that is the case, but I never took that seriously.

Q. Is that the case, as you read the chart?—A. As one reads the chart, that is the conclusion he would come to.

Q. Now, Dr. MacTavish, this report was ultimately received by the Commission,—I see it is dated April 12th, completed on the 12th April, 1927, roughly ten days including Sundays, after the gentlemen were asked to make it?—A. The date will show. I have not any idea how long it took.

Q. On the face of it, this report was completed in ten days, including Sundays?

Mr. CHEVRIER: "Obviously." A simple matter of subtraction or addition.

The CHAIRMAN: I think if members of the Committee will reserve judgment until we have heard the whole of the matter, we might make more rapid progress.

Mr. CHEVRIER: I wish they would.

By Mr. Ernst:

Q. Then there were received by the Commission memoranda of comments on this proposed re-organization, from Miss Guthrie?—A. I think Miss Guthrie was one.

Q. And Miss Walker?—A. I think so. I have not seen the file, but I think I recall her name.

Q. Miss Saunders?—A. Miss Saunders, I think.

The CHAIRMAN: I did not get what connection they had with it.

By Mr. Ernst:

Q. The ladies mentioned were examiners, were they not?—A. Miss Saunders is Supervisor of Personal Services.

Q. And Mr. Putman was chief of the organization branch?—A. Yes.

The CHAIRMAN: That is some of the examiners were submitting matters on this report as well as the Chief Examiner?

Mr. ERNST: Yes.

By Mr. MacInnis:

Q. How did the examiners receive information on which they would base their memoranda on the report?—A. My recollection is that they had that instruction from the Secretary or the Chief Examiner.

By the Chairman:

Q. That is after this report was made?—A. When they made their reports they may have seen it.

Q. When this report of Messrs. Simmins and Kemmis was made to the Commission, then it in turn was sent, was it, to Mr. Bland and Mr. Putman and to these different people who made reports on it?—A. Yes, they all saw it and made reports on it, or whatever it was.

Q. And their memoranda dealt with this Simmins and Kemmis report?—A. Yes, sir.

By Mr. MacInnis:

Q. Who ordered that report sent to the examiners or others who reported thereon?—A. Oh, I suppose it was some official, but I do not recall that.

Mr. CHEVRIER: We have asked that all the files be certified.

Mr. ERNST: It is certified by Mr. Foran that all the files are complete.

Mr. CHEVRIER: As it was dealt with?

Mr. ERNST: The certificate accompanies it. If there is anything missing, I think Dr. MacTavish should state it.

Mr. CHEVRIER: I do not think that is right.

Mr. BOWMAN: Is there any reason to believe it is incomplete?

Mr. CHEVRIER: I do not know, only the witness said that something was done and it is not on the file.

By Mr. Ernst:

Q. On May 6, 1927, I find this minute of the Commission, signed by "N. MacT." and "J. E. T.", referring to the Kemmis and Simmins report and the memoranda submitted by the various persons whom I have mentioned:

> We have perused the several reports submitted by you conjointly under your communication of the twenty-first ultimo, and hereby acknowledge their receipt for purposes of record.
>
> We are giving consideration to the question of what action is called for on our part by the conduct of the officials concerned and the unauthorized preparation of these documents.

[Dr. N. MacTavish.]

That is, the documents, as I will show, the memoranda made by Mr. Putman, Mr. Bland and the other examiners and the principal clerk of Central Registry, passed to you under a covering letter by Mr. Foran, dated April 21, 1927?—A. Yes.

Q. Then when you received the covering letter, with these memoranda, you made this minute, you and Commissioner Tremblay:

> We have perused the several reports submitted by you conjointly under your communication of the twenty-first ultimo, and hereby acknowledge their receipt for purposes of record.
>
> We are giving consideration to the question of what action is called for on our part by the conduct of the officials concerned and the unauthorized preparation of these documents.

What did you mean by that?—A. Exactly what it says.

Q. That the preparation was unauthorized?—A. I do not know. We asked for the authorization. I knew nothing about the authorization.

Q. Were the memoranda submitted by Mr. Bland, Mr. Putman, Miss Saunders, Miss Walker and Miss Guthrie unauthorized by the Commission?—A. I do not know about that. Is not that a question?

Q. Is that correct, or is it not, that minute of the Commission?—A. It is a question, is it not?

Q. No, it is followed by a period?—A. I thought it was asking whether they were authorized or not.

Q. I am asking you now whether it was authorized or not, in view of what you see there on that minute?—A. Oh, I see "the unauthorized"—apparently they were not; if they were, I did not know anything about it.

By Mr. Bowman:

Q. And that two Commissioners were considering taking action of some kind on the fact that they had not been authorized?

By Mr. Ernst:

Q. In your position, up to that date, you had not taken Mr. Putman and Mr. Bland into your confidence in connection with that report?—A. Oh, I had Mr. Putman and Mr. Bland in repeatedly to see me.

Q. But you did not authorize any comments from them?—A. I do not remember that either; but if I did not understand it then, I did afterwards, that it had been made; but I do not recollect.

Q. What disciplinary action did you take for this unauthorized conduct?—A. None that I remember.

Q. One question more, Dr. MacTavish. Why is that memorandum signed only "N. MacT." and "J. E. T." and not by Dr. Roche?—A. Dr. Roche would have to answer that. I do not know.

By Mr. Bowman:

Q. Don't you know why?—A. No, I am sorry. I may appear to be stubborn, but I have not the faintest recollection of why Dr. Roche did not either sign it or dissent from it.

Q. The customary procedure of the Commission, if it had been placed before him, was that he would either agree or disagree and so indicate with his initials?—A. Yes, or he could pass it without comment.

Q. But I understood you to say you never took this report of Kemmis and Simmins seriously?—A. I did not take it seriously, after we saw the report and the replies which were made by those who have been mentioned; and as a result of my conversations with especially Chief Examiner Bland, and Mr. Putman.

Q. You recollect that on the 6th May you made a minute that comment on this by Mr. Bland and Mr. Putman and members of their staffs was unauthorized. Now I take you back to Mr. Foran's covering letter, dated April 21, 1927, addressed to the Commissioners generally and not to Dr. MacTavish and Mr. Tremblay, in which he sent you these documents?

The CHAIRMAN: Which is that?

By Mr. Ernst:

Q. Mr. Foran's covering letter, in which he sent the reports to the Commissioners generally, on April 21, 1927:—

> I am submitting herewith reports received from three members of the staff—Mr. C. H. Bland, Assistant Secretary and Chief Examiner, Mr. C. V. Putman, Chief of the Organization Branch, and Miss E Saunders, head of the Personal Services Branch. Attached to Mr. Bland's report are statements from Miss Walker and Miss Guthrie, two senior examiners.
>
> With the consent of the Commissioners the report recently submitted by Messrs. Simmins and Kemmis was passed to these officials for their perusal, and the reports herewith are their replies to the proposals contained in the report in question.
>
> I have been very much impressed with the excellence of the reports which these officials have prepared, and I do not hesitate to commend them to the earnest and careful consideration of the Commissioners. It should be pointed out that, with the exception of the Secretary, Miss Saunders is the oldest member of the staff, having been appointed at the inception of the Commission in the year 1908; Mr. Bland was appointed in the following April, 1909; and Mr. Putman was the first member of the Organization Branch and had the advantage of being trained by the staff who prepared the original classification and who were engaged, while doing this work, in certain organization problems throughout the Service.
>
> I have not thought it necessary at this stage to add anything to what is contained in these reports; but if the Commissioners so desire, I shall be glad to place before them my views as to what would be the results if the proposals made by Messrs. Kemmis and Simmins with regard to the work of the Commission and its staff were adopted.
>
> Respectfully submitted,
>
> (Sgd.) W. FORAN,
> *Secretary.*

That was the covering letter by Mr. Foran?—A. Yes.

Q. Now I ask you to comment on this particular paragraph of Mr. Foran's letter:—

> With the consent of the Commissioners the report recently submitted by Messrs. Simmins and Kemmis was passed to these officials for their perusal, and the reports herewith are their replies to the proposals contained in the report in question.

How, in the face of that, do you say that the comments were unauthorized?—A. That was the statement, and we asked that.

Mr. CHEVRIER: Unauthorized by whom?

By Mr. Ernst:

Q. Unauthorized by the Commission?—A. I do not think it is true, if that minute says that.

Q. Surely you would not sign a minute which was not true?—A. Oh, the minute was true.

Q. "We are giving consideration to the question of what action is called for on our part of the conduct of the officials concerned and the unauthorized preparation of these documents?"—A. Yes.

Q. In other words, you did not want their comments?—A. Oh, no, not at all; they were not authorized by the Commission.

Q. Now, to go on a step further,—

By the Chairman:

Q. Am I clear that you and Commissioner Tremblay at that time were considering taking some action, as a Commission, with respect to the conduct of those chiefs of branches who had submitted those reports or comments on the Kemmis-Simmins report? Is that what the minute means?—A. No. We had no personal notion at all. It was all for the possible improvement of our system.

Q. Your minute had nothing at all to do with the system. Your minute says, if I interpret it correctly—and if I am not interpreting it correctly, I want you to give me its true interpretation,—that because Messrs. Bland and Putman and Miss Saunders and some others, without being duly authorized by the Commission, had presumed to submit comments on this Simmins-Kemmis report, the Commission was therefore going to consider what action they should take in respect to their conduct in that regard? I want to understand what the minute means?—A. It asks who authorized them or instructed them to make reports, other than the Commission.

By Mr. Ernst:

Q. It obviously means that they had not been authorized, and you were taking consideration of what steps to take?—A. Not necessarily.

Q. "We are giving consideration to the question of what action is called for on our part by the conduct of the officials concerned and the unauthorized preparation of these documents."—that is a correct statement, it means surely you were intending taking disciplinary action against Bland and these others? —A. Might I be pardoned?

By the Chairman:

Q. What was the meaning of your minute?—A. Mr. Kemmis and Mr. Simmins were authorized by a majority of the Commisioners to make a report. We asked, before we would take action on the other reports, who authorized the making of the reports.

By Mr. Ernst:

Q. Which reports?—A. Which are mentioned there.

Q. Will you read it yourself and see if you ask anything,—read the last paragraph of it?—A. "We are giving consideration to the question of what action is called for"—

Q. Read it all out?—A.

> We have perused the several reports submitted by you conjointly under your communication of the twenty-first ultimo, and hereby acknowledge their receipt for purposes of record.
>
> We are giving consideration to the question of what action is called for on our part by the conduct of the officials concerned and the unauthorized preparation of these documents.

Q. What does that mean?—A. We were considering what we should do next. We had two sets of reports. Some were unauthorized by a majority of the Commission. I think it was an intimation that we were asking by whom they were authorized. I have never seen that assembled file.

Q. Do you mean that you were giving consideration to the two sets of reports?—A. Yes.

Q. Oh, now, Dr. MacTavish, remember you are under oath.

Mr. CHEVRIER: Oh, I object.

The CHAIRMAN: Just a minute, Mr. Chevrier, so that we may not have a continuation of this thing. Are you seriously contending, as a member of this Committee—as a graduate in law—that this Committee must accept any answer given by a witness before the Committee, and that no member of the Committee has a right to question that answer or to probe it?

Mr. CHEVRIER: No, I am not taking that stand at all; but once he has been pressed and has given his answer, I do not think it is right to go beyond that.

The CHAIRMAN: I am sorry I must disagree with you on that.

By Mr. Ernst:

Q. On your oath, you say you were giving consideration to the conflicting reports?—A. Yes, as far as I recall.

Q. You said, "We are giving consideration to the question of what action is called for on our part by the conduct of the officials concerned and the unauthorized preparation of these documents." What has that to do with conflicting reports?—A. We had the reports before us.

Q. But you say, "We are giving consideration to the question of what action is called for on our part by the conduct of the officials concerned and the unauthorized preparation of these documents"—that is, the conduct of Bland, Putman *et al*?—A. Yes. We had to give consideration to that, and did give consideration to it.

Q. To their conduct?—A. Yes, to whoever authorized them.

Q. Do you see anything in the two conflicting sets of reports by which you could possibly construe that in that way?

Mr. VALLANCE: Is there anything in the report which can be construed as passing judgment on Mr. Bland or Mr. Putman, or the officials who did it?

Mr. ERNST: Not directly. In fairness to the witness, the minute is to the secretary of the Commission and is in reply to the letter of the 21st which encloses Mr. Bland's and Mr. Putman's statement and other memoranda, and it has nothing to do with the Kemmis-Simmins report, but it is a memorandum to the secretary and it acknowledges his letter and says, "We have perused the several reports submitted by you."

Mr. VALLANCE: Other than the Simmins and Kemmis report.

By Mr. Ernst:

Q. This letter of the 21st April does not refer to the Kemmis report, but to Mr. Bland's, Mr. Putman's, Miss Saunders' and the other reports?—A. It is not clear to me, Mr. Ernst. The assumption is not clear to me. You have not shown me any authorization and I will be glad to see it, and I hope there was some authorization which Mr. Foran refers to in his letter.

Q. You have sworn that there was no authorization given previous to this minute of May 6th, to Messrs. Bland, Putman and the others to comment?—A. I do not say that.

By the Chairman:

Q. You may have been mistaken, but that was clearly the effect of your statement here?—A. I have not seen the file, and I would not swear to it.

By Mr. Ernst:

Q. In view of this minute of the 6th May, would you have made such a memorandum if you had given an authorization for such reports?—A. No.

Q. Now I come to a letter of Mr. Foran to you, in reply to that minute:

> With reference to your memorandum of May 6th regarding the authorization of the reports submitted by officials of the staff, the following points should, I think, be brought to your attention:
>
> 1. Both Mr. Bland and Mr. Putman advised me immediately after your conference with them that you had assured them that when the report of Messrs. Simmins and Kemmis was prepared they would be given an opportunity to study it and to present their views thereon.
>
> 2. When a copy of their report was placed before me by Messrs. Simmins and Kemmis I secured your permission to hand a copy thereof to the officials concerned.
>
> 3. I instructed the officials in question to study the report and let me have their comments thereon with the feeling that this was not only the proper step for me to take in order that the Commissioners might have the fullest possible information before them in dealing with the report, but that it was also in accordance with your own wishes as implied in the assurance referred to above.
>
> 4. The reports, which were made to the Secretary, and which, on perusal, I considered necessary to an intelligent study of the suggestions made by Messrs. Simmins and Kemmis, were submitted to you under cover of a memorandum from myself recommending them to your careful consideration.
>
> Sgd. W. Foran,
> *Secretary.*
>
> May 17, 1927.

and directed to Commissioners MacTavish and Tremblay. In view of that, what do you say as to the minute?—A. There was no authorization in that.

The Chairman: The authorization is not the important point in this.

Mr. Chevrier: There are two sets there, one is the main report, and the other the remarks made by the others. It seems to me that somebody is at cross purposes, as to whether the remarks made by the members of the staff were authorized or unauthorized.

The Witness: Might I say that, whether they were authorized or not, they were received and considered, and they had very great weight in our final judgment.

By Mr. Ernst:

Q. I drew your attention to the minute which, I think it is fair to say, resented their preparation, because you say you are considering disciplinary action?—A. If that is correct, they were not authorized.

Q. Had you Mr. Putman's report before you at the time of that minute of May 6th?—A. I do not remember.

Q. You signed a memorandum which says, "We have perused the several reports submitted by you conjointly under your communication of the twenty-first ultimo, and hereby acknowledge their receipt for purposes of record"?—A. Then I had read them.

Q. Now, let me read to you the first paragraph of Mr. Putman's report and memorandum to the secretary which is attached to the report:

Re Report on Methods and Procedure for the Civil Service Commission, prepared by Messrs. Kemmis and Simmins, under instructions of April 1st, 1927.

On March 29th, Mr. Bland and the undersigned were called by Commissioners MacTavish and Tremblay and informed of their decision that Messrs. A. C. Kemmis, Senior Examiner, and R. G. Simmins, Senior Investigator, should make a report on the methods and procedure of the Civil Service Commission. At this time both Mr. Bland and myself made very positive objections to the use of junior members of our respective staffs to make any kind of report on the branches in which they are employed. We were informed that the Commissioners had decided that this report was to be made, but that we would be given an opportunity to examine the report and to make any comments thereon which we saw fit before any action was taken by the Commissioners.

Did you read that?—A. I presume I did.

Q. In the face of that, you signed a document of the 6th May, saying these reports unauthorized?—A. That was Mr. Bland and Mr. Putman; but there were others added to it.

Q. Your minute does not distinguish in the slightest, does it:

We are giving consideration to the question of what action is called for on our part by the conduct of the officials concerned—

A. There were more than that from Mr. Bland; whether Mr. Foran authorized them or not, there were more reports.

Q. What do you say now, that you were complaining of the conduct of Miss Walker and Miss Saunders?—A. I do not know that it was complaint. As far as I was concerned, I knew nothing about Miss Saunders and Miss Walker.

Q. Does that minute make any distinction between them?—A. Yes.

Q. You say, "We are giving consideration to the question of what action is called for on our part by the conduct of the officials concerned and the unauthorized preparation of these documents"?—A. There was no authority, that I knew of then, and I do not know yet, how Miss Saunders and Miss Walker and Miss Guthrie,—

Q. Will you read it again and see what distinction you make as between them and Mr. Bland and Mr. Putman?—A. It says nothing of it.

Q. Were you doing this, objecting to Mr. Bland and Mr. Putman?—A. No, not at all. I had many conferences with Mr. Bland and Mr. Putman.

Q. What did you mean by this minute? Did you mean only Miss Saunders, Miss Walker and Miss Guthrie?—A. Oh, the whole lot, if we authorized Mr. Bland, and Mr. Putman, and the documents apparently show it, we did not authorize the others.

Q. Are you trying to distinguish for a moment on the ground that you authorized Bland and Putman and did not authorize the three ladies?—A. I said I discussed it on many occasions with Mr. Bland and Mr. Putman and said that they would have an opportunity to reply after we received the document.

Q. Before this date?—A. It would be before the minute.

Q. Will you please explain your minute to the Committee?—A. I cannot explain it any more than it is there. It apparently says that there were unauthorized reports.

Q. I ask you if you are aware of the first paragraph in Mr. Putman's report, which I read to you, which says that on the 29th March you and Mr. Tremblay authorized him and Mr. Bland to make that report?—A. But not the others.

Q. Did you, or did you not, on the 29th March authorize Mr. Bland and Mr. Putman to make their report?—A. That is what that says, but I know that we did not authorize the others. I told Mr. Bland and I told Mr. Putman that they would have a chance to make a report, but the others had not been authorized by anybody.

Mr. CHEVRIER: That is plain.

The WITNESS: We authorized properly—and it is on record there—Kemmis and Simmins, and they made their report.

By Mr. Ernst:

Q. You did not pass a minute authorizing the report by Mr. Putman and Mr. Bland?—A. Apparently it is not there. It is quite correct as respects Putman and Bland.

Q. Then this minute seems to be not understandable. Either you are wrong this morning or the minute is incorrect?—A. Please explain to me how I am incorrect. Are Bland's and Putman's names mentioned in the minute?

Q. Please do not quibble?—A. I am not quibbling at all.

Q. I am simply asking you which is correct, your oath this morning, or your minute of 1927?—A. You as asking me to say something I cannot say. There are no names in that minute.

By Mr. Bowman:

Q. The written records are quite clear?

By the Chairman:

Q. As far as I am concerned. The reason I asked the question of Mr. MacTavish was to see whether he had any explanation, or whether the words did not interpret his views, and he has not done so?—A. Pardon me, I think I have. There is nothing to show but the reports there. This is from these officials. There is nothing to show that the Commission authorized Mr. Putman and Mr. Bland to make a report; but I spoke to them personally and verbally about it, but not to any of the others.

Q. So that we may have the thing clear, let us get at it calmly, now. There was forwarded to you by the Secretary of the Civil Service Commission a letter with reports from five or six persons, including Mr. Bland and Mr. Putman. That is clear, is it not, from the record?—A. Yes.

Q. And, having those five or six reports before you with the covering letter from the secretary, you and Mr. Tremblay draw up a memorandum which you both sign, and which is in writing, and in that memorandum you say, "We are giving consideration to the question of what action is called for on our part by the conduct of the officials concerned" who submitted these unauthorized reports?—A. Yes, they were not authorized.

Q. That is what I say,—We are considering what action should be taken. Now, do I understand you to be saying, in view of that, that that memorandum had no reference to Mr. Bland and Mr. Putman, because they had been authorized, or led to believe, that a report from them was desired, at some personal conference which they had with you?—A. Mr. Bland and Mr. Putman were not separated from the others; they were all reports sent in at one time, as I recall it.

Q. That is quite so, and what I am trying to get at is this, are you now making the statement to this Committee that the minute to which we have referred, and in which the Commission said they were considering what action should be taken in respect of the conduct,—when you drew that memorandum, do you now want to state to the Committee, that it did not refer to Mr. Bland and Mr. Putman, in view of the fact, as it has been brought out from the file.

that you had personally conferred with those gentlemen and asked them to submit a report?—A. But we did not confer and ask the three or four others to do so.

Q. I quite appreciate that. I am asking you, do you now wish to make the statement to this Committee that in view of the fact that you had this personal conference with Mr. Bland and Mr. Putman, the memorandum of Mr. Commissioner Tremblay and yourself did not refer to those two gentlemen?—A. I say most emphatically that it did not refer to them solely.

By Mr. Bowman:

Q. Solely,—that is evading the question?—A. I am not trying to evade it. If I am evading it, I do not intend to. You do not ask me, pardon me, but no question is asked as to Mr. Bland and Mr. Putman.

By the Chairman:

Q. I am asking you as to Mr. Bland and Mr. Putman only. Let me put it again. I say, in view of the fact that it is evident from the file that Mr. Bland and Mr. Putman had personally conferred with you, and you, on your own statement here this morning, had advised them that an opportunity would be given them to submit a report,—in view of that, do you say that your memorandum, signed by Commissioner Tremblay and yourself, in which you say you were considering what action should be taken in respect of the conduct of those who submitted unauthorized reports, did not refer to Mr. Bland and Mr. Putman? —A. I say again, you infer that it was referring only to Mr. Bland and Mr. Putman. I say we have to group them all. There were five or six reports; that memorandum has to do with the three or four other than Mr. Bland and Mr. Putman.

The CHAIRMAN: Does that memorandum deal with Mr. Bland and Mr. Putman, or does it not?—A. Yes.

Q. Let us be clear. The memorandum I am talking about is the one which says that you will have to consider what action should be taken with respect to the conduct of the officials concerned?—A. Yes, but not solely Mr. Bland and Mr. Putman. I insist on that.

Q. It refers to everybody who submitted these reports which were mentioned? —A. Yes.

By Mr. Ernst:

Q. Then the next thing on the file is a minute signed again only by yourself and Commissioner Tremblay, May 17, 1927,—

> Board Decision:
>
> *Civil Service Commission*—Procedure.
>
> It was decided that in addition to the reports already received from certain members of the staff in reply to the report on methods and procedure submitted by Messrs. Simmins and Kemmis, the Secretary and Messrs. Baril, Bourbonnais, Gilchrist, Brown and Thivierge should be asked to submit their views with regard to that part of the report of the two investigators which relates to their particular work or branch.

How were those persons selected?—A. That has been our trouble in our discussion here, you have been trying to centralize.

Q. I asked you how these persons were selected?—A. I am explaining that. We had part of the staff's report submitted to us without, as I say, authorization. Then we concluded that, as we had these reports from some, we had better have them from them all.

Q. That is by no means all the staff, is it?—A. No.

Q. And not all of the senior examiners?—A. Probably not, but the senior ones probably of the different branches.

Q. Why was Dr. Roche apparently not consulted?—A. Oh, Dr. Roche very likely was at that board meeting.

Q. He would have signed assenting or dissenting from it, would he not?—A. Well, I do not know. Dr. Roche will answer that.

Q. Can you see any indication of Dr. Roche having been present?—A. I do not say that.

Q. "Board Decision" was at the top of it?—A. Yes.

By Mr. Bowman:

Q. Whom was it signed by?—A. Those are my initials and Mr. Tremblay's.

Q. Is there any record there of the Chairman's initials or approval?—A. No.

Q. What is the date of the minute?—A. May 17, 1927.

Mr. BOWMAN: Dr. Roche, could we have the minutes of that meeting under date May 17, 1927?

Dr. ROCHE: Yes.

Mr. ERNST: That would be an exact copy of the minutes.

The CHAIRMAN: Dr. Roche, if you have any diary, memorandum or anything which would indicate whether you were on duty on that day, or available in Ottawa, I would be much obliged if you would bring that with you.

Dr. ROCHE: I do not think I have anything other than what the minute might indicate.

By Mr. Ernst:

Q. I find covering letters from the Secretary to these various gentlemen asking them to make reports?—A. That is probable.

Q. Then appear their reports?—A. Certainly.

Mr. ERNST: The reports I will have to put into the record, from the gentlemen concerned, and a covering short letter from Mr. Foran.

Q. With the exception of that from Mr. Thivierge all the reports were adverse to the proposed reorganization?—A. I do not recollect.

Q. From reading them I suppose they were?—A. Possibly. I know we did not adopt them.

Q. Do you recollect that after Mr. Bland and Mr. Putman had submitted their written memoranda with respect to this Kemmis and Simmins report, calling them into conference with you and Commissioner Tremblay?—A. I do not remember any particular time; probably we did; we had many conferences about it.

Q. Do you recollect specifically demanding that Mr. Bland withdraw or restrict his report?—A. No.

Q. Did you or did you not?—A. No.

Q. Did you demand that he withdraw or restrict any portion of his report?—A. No.

Q. Do you recollect, with reference to Mr. Putman's, whether you and Commissioner Tremblay demanded that he withdraw or restrict any portion of his report?—A. I did not and would not.

Q. That is your position in the matter?—A. Yes.

By the Vice Chairman:

Q. There is no doubt about that?—A. There is no doubt, sir

By Mr. Ernst:

Q. At one or more meetings subsequent to the filing of those reports?—A. Never. It was not my object at all to withdraw any report. I wanted to get an understanding of the situation.

Q. Do you recollect Mr. Bland intimating to you at any time that he would not withdraw a single word of it or retract it?—A. No.

Q. Or to Tremblay, in your presence?—A. No.

Q. Do you recollect any such similar statement by Mr. Putman?—A. No, sir.

By the Vice Chairman:

Q. At any rate, Dr. MacTavish, you did not at any time or any place ask or demand Mr. Bland or Mr. Putman to withdraw their report or any part of it?—A. Yes, that is quite true. At a meeting where we called in several—I remember Miss Saunders was there, and I asked if there was anything more they had to say—that was at a board meeting, and I myself asked several members of the staff if they had anything further to add to their reports, so that we would have a complete statement from them. They said they had not. But I asked for no withdrawal.

By Mr. Ernst:

Q. Your recollection is quite clear as to that?—A. Yes.

Q. Now, Dr. MacTavish, before I go back to the reports themselves, which may be somewhat controversial, I want to take you on to another file, relating to this particular matter. In 1931, I find that a motion or an order for a return was passed on the motion of Mr. Garland, a Member of the House, asking for a return with respect to this particular file,

> For a copy of all documents, minutes of the Board, reports, memoranda, letters and telegrams, relating to the investigation that took place in the Civil Service Commission in the year 1927, which was understood to be instituted by the direction of Commissioners Tremblay and MacTavish, and by which two junior clerks, Messrs. Kemmis and Simmins were authorized to carry on an investigation into the administration of the Commission by Dr. Roche and other executive heads.

That is a memorandum for the secretary, dated on the 14th April, 1931, intimating that the motion was on the order paper in Mr. Garland's name, from Bow River.

Mr. Chevrier: Do you intend to call the gentleman, whose name, I think, is Mr. Grierson, who, you say brought the matter to your attention? I think it would be most interesting to get him.

Mr. Ernst: Yes, I think if he could add one single word to the record which would be of value to us, I would be quite willing to have him called.

Mr. Chevrier: Or whether he drafted that memorandum.

Mr. Ernst: Supposing he did, what difference does that make?

Q. Then I find a memorandum to the secretary, under date of April 14, 1931, as follows:

> There appears on the Order Paper for to-day, notice of Motion by Mr. Garland (*Bow River*), on Wednesday next, Order of the House as follows:

And then it recites the Order which I have read, and goes on to say:

> Will you please give instructions as to what documents are to be copied and furnished the House when Mr. Garland's notice of Motion is made an Order for a Return?

And then this contains the following endorsation made by you:

> I am willing to include all documents except the portion of Mr. Putman's reply wherein certain personal observations are made reflecting on Mr. Simmins. The above should include the remarks of Mr. Bland as to Mr. Kemmis.
>
> N. MacT.

Will you tell me if that is in your writing?—A. Yes.

Q. Will you tell the Committee on what authority, after an Order by the House of Commons has been passed asking for the production of papers, you have any right to delete anything?—A. Yes, we frequently and have always held that anything of a private nature, that would be an injury to an individual, or that might be regarded as an injury, should be deleted.

Q. Have you held that as a Commission?—A. Yes.

By Mr. Bowman:

Q. Have you any written record holding that?—A. I have not at the moment, but the other Commissioners will verify what I say.

By Mr. Ernst:

Q. Now, let me read Dr. Roche's comment:

> To be consistent wth my past attitude I would include all documents on file.

Now, what have you to say?—A. I do not think that would always hold. Mind you, I am not reflecting on what Dr. Roche says. He says, "to be consistent." If Dr. Roche put that there, then he is consistent.

Q. Is it Dr. Roche's handrwriting or is it not?—A. I presume it is. I believe it is. And that is what Dr. Roche meant. It is probably his opinion; but while Dr. Roche is Chairman, there are two other Commissioners, we have dissented back and forth as to what documents should go up, repeatedly.

Q. Do you say Dr. Roche has taken the attitude that documents should be withheld?—A. I do not say he has. I would say that on some occasions he possibly has, but if he says he has not, he has not.

Q. You, as Commissioner, I believe are responsible to the House of Commons?—A. Yes.

Q. And when the persons to whom you are responsible pass an Order for *all* papers, on what authority do you go and delete paragraphs from a report before bringing it down to the House of Commons?—A. As I told you, there may be matter which we regard at times as reflecting or personal or private; in this case it was reflecting.

Q. When it is part of a document itself and not on a personal file at all?—A. It was not on a personal file; it was in a report.

Q. Would you attempt to justify your action in going over a report and deleting one of its paragraphs before submitting it to the House?—A. Is that an Order of the House or a request from a member?

> Q. Will you please give instructions as to what documents are to be copied and furnished the House?

A. If there was a question about a private matter, it might not be sent.

Q. The Order calls for a copy of *all* "documents, minutes of the Board, reports, memoranda, letters and telegrams, relating to the investigation which took place in the Civil Service Commission in the year 1927,"—

Mr. CHEVRIER: Let me get this, for my own information, because you have a file before you, and you can tell me,—

Mr. ERNST: Would you like to see it?

Mr. CHEVRIER: This is a memorandum from a clerk to the secretary:

> There appears on the Order Paper for to-day, notice of Motion by Mr. Garland (*Bow River*), on Wednesday next, Order of the House, as follows:
>
> For a copy of all documents, minutes of the Board, reports, memoranda, letters and telegrams, relating to the investigation, etc. etc.

Then there is another paragraph which does not form part of the Order of the House, and which reads in this way:

> Will you please give instructions as to what documents are to be copied and furnished the House when Mr. Garland's notice of Motion is made an Order for a Return?

I do not want to argue at present, but I want to point out that this is a memorandum from a clerk to the secretary, and refer to this concluding paragraph of the memorandum;

> Will you please give instructions as to what documents are to be copied, etc.

Mr. ERNST: But surely pursuant to the Order of the House.

By Mr. Ernst:

Q. Then I might read Dr. MacTavish's memorandum, in his own handwriting, "I am willing to include all documents" when the Order asks for all?—A. My understanding is that an Order of that kind comes down and we do not include private material, unless it is voted on in the House as an important matter.

Q. How is the House to know if you have it or not, if you deliberately conceal it?—A. That memorandum of mine is evidence enough.

Q. That memorandum does not go before the House of Commons?—A. It could.

Mr. CHEVRIER: I have seen the letter covering the file which was sent here—is there any objection to placing before the Committee in some way what portions of the report were objected to?

Mr. ERNST: I am going to come to that in the afternoon. We will have to decide that, and there is not time before lunch; and we can come to a decision this afternoon on that.

Q. I am simply asking you where you get authority to disobey an Order of the House of Commons?—A. Oh, I have not any authority.

Q. Then I find that the matter was further considered, in the memorandum to the Board, which does not bear a date, but which is as follows: It is No. 21 in red on this file:

> It seems to me that the proper answer to the question as worded is that "no investigation into the administration of the Commission by Dr. Roche and other executive heads was ever carried on, or even suggested."
>
> If Mr. Garland has in mind the investigation which Commissioner MacTavish and Tremblay authorized Messrs. A. C. Kemmis, Senior Examiner, and Major Simmins, Senior Investigator, to carry on upon the possible improvements in the methods and procedure of the Commission, with a view to ascertain what steps if any could be taken to simplify our procedure, and thereby avoid delays which were the subject of complaints, Mr. Garland should amend his question accordingly. In that event, I presume all documents should be supplied.

It is unfortunate that a couple of these documents contain personal observations which should not have been included in an official document. These remarks were made evidently under a complete misapprehension of the situation. However, I suppose they would have to be included unless Messrs. Bland and Putman are willing to withdraw them.

The result of their inclusion can only be detrimental to the Commission and would certainly not place their authors in a more pleasant situation than the two officials who are the subject of their observations. It certainly would be a source of unpleasant criticism which, if possible, should be avoided at the present time. Coming so soon after the disclosures in the Bouchard case would not help matters. It may be found strange that if these remarks truly represent the opinion of their authors, the Commissioners should have been left in ignorance of it until they were assigned the particular task in question, which it was not in their power to refuse to carry on.

Sgd. J. E. T.

Then a foot-note: "See my decision of April 14, 1931, hereunder as annexed. N. MacT."

So you adhered to your previous decision?—A. Yes.

Q. I find Dr. Roche's memorandum, on the margin:

I think it is now too late to take such action as it would not look right after the papers have been moved for. Sgd. W. J. R.?

—A. Yes.

Q. Where did you get your authority to take that step?—A. My understanding of the matter,—I may be wrong,—was that we keep back private papers until they are demanded.

Q. Do you consider that report a private paper?—A. All these remarks were personal, injurious remarks.

Q. Do you consider the report a private paper?—A. Yes.

Q. Then do you consider that you had any right to mutilate that report when that paragraph may have been one of the motivating paragraphs?—A. I do not think, if you gentlemen were to read them, you would want them. My understanding has been that private papers would not be sent, unless again called for by the House.

Q. How is the House to know, unless you say that you have deleted it?

Mr. CHEVRIER: The man who moved that knew it was there. Why did he not ask for it subsequently?

By the Vice Chairman:

Q. May I ask, Dr. MacTavish, did you suggest in this memorandum that if Mr. Bland and Mr. Putman would withdraw their reports, then there was no necessity for—

Mr. ERNST: No, it was Mr. Tremblay suggested that.

Q. Let me read you an extract from Hansard. Extracts from Hansard, in the House, which relate to the Commission, are brought to your attention?—A. Yes, very frequently.

Q. On June 14, 1929, Sir George Perley made a statement:

It was brought out plainly in the House this session that when returns from the Civil Service Commission are ordered by the House the officers of the Commission decide what papers shall be sent down to the House of Commons. My own feeling is that that is entirely improper. I do not propose to discuss it here, but next session I am hoping that the matter will be brought up so that we may be sure that when the House of Commons passes an order for the return of certain papers from the Civil Service Commission, those papers will be brought down.

Mr. GARLAND: (Bow River): I wish very strongly to support the position taken by the hon. member for Argenteuil and to point out specifically that in the returns made by the Civil Service Commission this year with respect to the Post Office Department there was held back from the file in almost every case the form which I hold in my hand, and which is essential to a full and proper understanding of the cases. This form is C.S.C. 240-Application for the position of postmaster. From most of the files that was withheld. The other form which should be included is C.S.C. 71—the report on applicants for a postmastership. Without these two forms a clear understanding of the case is obviously impossible, and I think provision should be made that in the future, irrespective of what may be the opinion of one or two Commissioners, these public documents should be attached. I understand that in this particular case the Chairman of the Commission was quite willing and urged that the documents in question should be included in every file, but the other two Commissioners refused to approve the suggestion. That should not be the case.

Mr. RINFRET: I will take the matter up with the Civil Service Commission.

Was your attention called by the former Secretary of State to it?—A. Not that I recollect.

Q. And after that you went on using your own judgment?—A. I have always understood that private matters were not to be included.

Q. And you use your own judgment as to what portion of the statement there should or should not be included?—A. I confess that those references to those two gentlemen were of a private nature.

Q. What I have read here?—A. Oh, no, that is a different thing.

Q. Apparently you were using your own judgment on that, too?—A. Those were opinions expressed in the House, but private documents are not always produced to the House, even when asked for. Statements in documents as to individuals were private.

Q. How can you support that?

Mr. CHEVRIER: The witness time and again has given an expression of opinion. It may be all wrong or it may be all right, but why delve into the matter of discretion. He has made his answer.

Mr. ERNST: It is not discretionary. He is disobeying an Order of the House.

The WITNESS: It has been our practice, since I have been a Civil Service Commissioner.

By Mr. Ernst:

Q. Whose practice?—A. I would say of the three of us.

Q. I will read you again Dr. Roche's memorandum:

> To be consistent with my past attitude I would include all documents on file.

In the face of this statement, do you say that has been the attitude of Dr. Roche as well as of you and Commissioner Tremblay?—A. I think so. I think that could be shown in one or two cases.

By Mr. Chevrier:

Q. Since Mr. Garland took that stand in the House, have any instructions come to the Commission, from the House, asking the Commissioners or the Commission to respect the demand expressed by Mr. Garland and Sir George Perley?—A. Not that I am aware of.

By the Acting Chairman:

Q. Do you mean to say the Commission have paid no attention to the statements made on the floor of the House by Sir George Perley and Mr. Garland?—A. I did not know of them until now. This is the first time I have had knowledge of them.

By Mr. Ernst:

Q. I would be afraid to be a Civil Service man who did not pay attention to statements made on the floor of the House?

Mr. CHEVRIER: As to discretionary power, it is quite clear that they must furnish the documents.

The CHAIRMAN: Is it quite satisfactory to adjourn until 3.30 this afternoon?

Mr. CHEVRIER: Very regretfully I consent, as there is some very interesting business in the House.

The Committee adjourned to meet at 3.30 p.m.

AFTERNOON SESSION

The Committee resumed at 3.30 p.m.

NEWTON MACTAVISH, recalled.

By Mr. Ernst:

Q. Dr. MacTavish, this morning I was asking you on what basis you selected Messrs. Simmins and Kemmis to make the report which was made. Did you make any investigation into their personal qualifications, I ask you again?—A. No, not any special investigation.

Q. I did not ask you that. Did you make any inquiry whatsoever?—A. I didn't need to.

Q. You didn't need to?—A. No.

Q. Well, now, I want to read you a paragraph from page 10 of Mr. Bland's report respecting one of these gentlemen. I feel it has to go on the official record, Mr. Chairman. It is disagreeable and unpleasant yet the press might refrain from publishing it because it will be detrimental to someone who is still in the service.

The CHAIRMAN: I think the press will very much oblige the Committee by not publishing something about someone who is still in the service.

By Mr. Ernst:

Q. I will read this paragraph to you, Dr. MacTavish. You have just replied to me that you did not need to inquire into the personal qualifications of those gentlemen, and I just want to read to you this paragraph from Mr. Bland's report:

> When reductions in staff are possible, I am in favour of making them by the proper method of the release of temporary employees. But when I find officers of the calibre and standing of the above attacked by a fellow officer (I make no mention of Mr. Simmins) who during his brief period of service with the Commission has by his insobriety made himself an object of reproach in the Commission, in the departments in which he has worked and in public, whose removal as Examiner from one of his depart-

> ments was twice requested by the Deputy Minister of that Department and whose suspension was at one time under consideration by the Civil Service Commissioners, I can find no language strong enough to express my opinion of his conduct and my regret that he of all persons, should have been chosen to report upon his fellow employees.

A. Are you quoting now from Mr. Bland's report?

Q. I am quoting from Mr. Bland's report. You made the observation a minute ago, that you did not need to make any personal investigation into the qualifications of the men whom you appointed to investigate and report upon their fellow employees in the Commission.—A. That report of Mr. Bland's was the first that I had ever heard of any such charges or qualifications or lack of qualifications, but I would like to make this comment, that if Mr. Bland had that information he should have handed it to the Commissioners.

Q. Dr. MacTavish, what opportunity did you give Mr. Bland or anybody else to do so when you appointed those men without asking Mr. Bland's opinion of them?—A. There was always an opportunity of reporting a man, Mr. Chairman, always an opportunity.

Q. I asked you this morning whether you looked up the personal files of those men and you said—No, you did not remember that you had.—A. I don't remember that I did.

Q. Can you tell me to-day whether the personal file of that gentleman contains the personal observation that Mr. Bland makes in his report?—A. Not that I know of.

Q. Did you investigate?—A. I don't think I did.

Q. Have you ever investigated that gentleman's personal file?—A. I don't know whether I have or not, but I would not consider that that—an investigation of his habits—was possible, whether I did or not.

By Mr. Bowman:

Q. What? You would not consider it possible to investigate a man whom you were appointing to make an investigation?—A. Those are personal things that really haven't to do with a man's qualifications as an investigator or an examiner.

By Mr. Ernst:

Q. Dr. MacTavish, listen to this:—

> ...whose removal as examiner from one of his departments was twice requested by the Deputy Minister of that department and whose suspension was at one time under consideration by the Civil Service Commissioners.

Do you mean to tell me that that is purely a personal matter?—A. Not during my time it wasn't.

Q. You are trying to "pass the buck" to Mr. Bland. I am asking you, as a Civil Service Commissioner, you cannot justify an appointment like that without an investigation?—A. I will say, and say it emphatically, that I thought that Mr. Simmins—

Q. I did not mention Mr. Simmins at all. That reference was not to Mr. Simmins.—A. I know. I wish that could be deleted. I have all along tried to avoid that. I thought that the examiner I chose was qualified, and still think he was qualified to make that report.

Q. Have you ever—I ask you again—investigated his personal file to see what his standing was on the record of service of the department?—A. I don't know that I did. I knew what he was doing from day to day. I thought he was very well qualified to make a report of that kind, and I think, Mr. Ernst, that he was eminently qualified.

Q. In spite of the paragraph I read to you from that report?—A. Yes.

Q. And I suppose you would again appoint him?—A. Yes, I would again appoint him.

Q. If you were appointing a junior official to make such an investigation? —A. I would not have the appointment. He would have to come under the merit system.

Q. I did not ask as an examiner, but in connection with this investigation which was held and report made upon your own organization.—A. Well, I might say to you, in all fairness, that I might not conduct such an examination, if I had to do it over again.

Q. I am asking you, if you were undertaking it, would you again, in the face of the information which you now have, consider that man eminently qualified? —A. I would have to have proof of what is said there.

Q. Assuming it to be true?—A. If it is true, I might not.

Q. Would you, or would you not?—A. I don't know, Mr. Ernst.

Q. Dr. MacTavish— —A. If I considered that it would interfere with his duty then I would not ask him to make such a report.

Q. I will read it to you again. You know what is in that paragraph. You have discussed it in the memoranda which was attached to subsequent minutes. You made reference to it repeatedly. Obviously you know what is in it. In the light of what you know, would you appoint that man?—A. If I thought—

Q. No, not if you thought, but in the light of what you know, would you appoint that man?—A. I make that qualification.

Q. In the light of that information— —A. Read that again, please.

Q. Do I need to read that to you again, Doctor?—A. Yes, I would like to have it read again.

Q. Here is what it says:

> When reductions in staff are possible, I am in favour of making them by the proper method of the release of temporary employees. But when I find officers of the calibre and standing of the above attacked by a fellow officer (I make no mention of Mr. Simmins) who during his brief period of service with the Commission has by his insobriety made himself an object of reproach in the Commission, in the departments in which he has worked, and in public, whose removal as examiner from one of his departments was twice requested by the Deputy Minister of that department and whose suspension was at one time under consideration by the Civil Service Commissioners. I can find no language strong enough to express my opinion of his conduct and my regret that he of all persons should have been chosen to report upon his fellow employees.

Now, in the reading of that, do you consider your appointment justified?—A. I consider my appointment justified, and I don't—

Q. I mean your appointment of those gentlemen?—A. You are trying to make me say this—

Q. I am not trying to make you say anything?—A. Those are imputations that I don't think would hold on an investigation.

Q. In the light of that,—and assuming it to be true,—have you ever investigated it, even subsequent to that report?—A. Those charges were not made prior to this.

Q. Have you investigated that subsequently?—A. I investigated nothing of the kind, because I didn't know anything about them.

Q. You knew about it after Mr. Bland reported it to you, did you not?— A. I didn't know any more than that report.

By Mr. Bowman:

Q. Wasn't that enough?

By Mr. Ernst:

Q. Did you ever investigate that subsequently?—A. I didn't, no.

Q. Did any one else?—A. I am not the chief of staff there. The chief of staff may have asked me about it.

Q. Have you asked the chief of staff to investigate it ?—A. Yes, I have.

Q. When?—A. Well, about that time.

Q. Who is the chief of staff?—A. Mr. Foran, the secretary.

Q. And did you ever have any report as to the accuracy of the statement? —A. I don't think so, it was merely a personal inquiry.

Q. Why didn't you get a report?—A. I didn't ask for a report.

By Mr. Bowman:

Q. Didn't you think it worth while getting a report after you had asked for it, and particularly in view of the serious charges that are made there by Mr. Bland?—A. Well, Mr. Bowman, in order to answer those questions I would have to reflect on other people. I don't want to reflect on others.

Mr. ERNST: Just answer truthfully, it does not matter whom it hurts. Just give the statement.

By Mr. Bowman:

Q. How will an answer to that reflect on anybody?—A. Well—I say this with hesitation,—what Mr. Bland said afterwards,—that if he had had to make that report again he would not have included that part in it.

By Mr. Ernst:

Q. When did he tell you that?—A. After it was made.

Q. How long after?—A. I don't know how long after. He may refute that.

Q. I am not asking you that. Don't anticipate what Mr. Bland will say in evidence here. When did he make the statement?—A. Some time after that.

Q. How long after?—A. It wasn't so very long ago.

Q. Will you give me Mr. Bland's statement again in that connection?— A. I have just said that he used words to this effect, that if he had to make that report again he would not have made that reference. I think that that has been regretted.

Q. Well, I am just asking you what Mr. Bland said.—A. I cannot tell you what he said exactly. That is the impression I got. His exact words I cannot recall.

The CHAIRMAN: Excuse me, Mr. Ernst, was that report from which you have read the extract before, or had it been before Commissioners Tremblay and MacTavish at the date on which they dictated the memorandum that they would have to consider what action should be taken with respect to the conduct of those persons who are named in that report?

Mr. ERNST: Yes. Mr. Bland's report was dated April 19, 1927, and the memorandum of the Commission in which they intimated they would have to consider disciplinary action against Mr. Bland and Mr. Putman and Miss Walker and the others, was dated May 6, 1927.

The WITNESS: I do not think that you should say that we intimated that we would have to consider disciplinary action.

Mr. BOWMAN: No, there was no intimation about it; there was a straight statement.

Mr. CHEVRIER: The statement speaks for itself.

The WITNESS: We were considering, and did consider it, Mr. Bowman, and never took any action, and never intended to take any action against anybody in particular.

Mr. CHEVRIER: Whatever the statement is, it is there in writing.

By Mr. Ernst:

Q. I will read the statement to you again, Dr. MacTavish. This is with reference to Mr. Bland's and Mr. Putman's report, as well as the others:—

> We are giving consideration to the question of what action is called for on our part by the conduct of the officials concerned and the unauthorized preparation of these documents.

A. Well, the intent of that it seems to me is different from what I take it you think, because it is borne out by the subsequent action of the Commissioners. No action was taken on those reports, except we might have, after consideration, congratulated those several heads of branches on their reports.

Q. Did you ever congratulate them?—A. Well, we acted on them.

Q. They apparently saved the Commission from destroying the merit system. —A. I do not see that at all.

Q. May I read you the concluding paragraph of Mr. Bland's report:—

> In conclusion I wish to say that I am heartily in accord with any possible improvements in the methods and procedure of the Commission, and that I will work enthusiastically with yourself and the Commissioners to effect them.
>
> If, however, the present suggestions of Messrs. Kemmis and Simmins, ill-informed and perversive, as I consider them, are accepted as a whole, they can have one effect and one effect only, namely, the weakening of the administration of the Civil Service Act, with the ultimate result, if persisted in, of the loss of public confidence in the Civil Service Commission and the destruction of the merit system.
>
> Against such a course of action, I must place on record my emphatic protest.

By Mr. Chevrier:

Q. Right there may I ask—Has that report been acted upon?—A. Not in any respect.

Mr. ERNST: That is the one which called for the disciplinary action.

The WITNESS: The report that was made to us was never acted on in any respect.

By Mr. Bowman:

Q. Apparently there was very good reason for it not being acted upon.— A. We found there was good reason. We were seeking information and got it. And the information was that the procedure, as far as we could see, was satisfactory, and we didn't change it.

Q. Apparently after getting that report, you received the information and considered disciplinary action against Mr. Bland for making it.—A. Pardon me, that is not fair.

By Mr. Ernst:

Q. What does your memorandum of May 6th mean?—A. As I say, we might just as well have censored him as congratulated him. We did neither one, but we—

Q. Now, Dr. MacTavish, listen again. I ask you, after receiving that report in which Mr. Bland said that the organization scheme of Mr. Kemmis and Mr. Simmins threatened the whole merit system, you wrote a memorandum to the secretary, or you sent a memorandum to the secretary which said:

> We are giving consideration to the question of what action is called for on our part by the conduct of the officials concerned and the unauthorized preparation of these documents.

A. They had not been authorized.

Q. "...the conduct of the officials concerned"?—A. Yes.

Q. What conduct?—A. The officials concerned were the ones, if any, who asked them to make these reports. We did not authorize these reports.

Q. Dr. MacTavish, after receiving that report from Mr. Bland which points out in no uncertain terms that the scheme which you asked those gentlemen to prepare threatened the whole merit system, you sent a memorandum three weeks afterwards in which you say:

> We are giving consideration to the question of what action is called for on our part by the conduct of the officials concerned and the unauthorized preparation of these documents.

Mr. Bland was one of them?—A. If he was,—I don't know that he was.

Mr. BOWMAN: You said this morning quite clearly—

Mr. ERNST: Oh, Doctor MacTavish, you should have some respect for your oath.

Mr. CHEVRIER: I don't think that Mr. Ernst's remark is at all warranted by saying to the Doctor that he ought to have some respect for his oath.

By Mr. Ernst:

Q. I ask you again, Dr. MacTavish—

Mr. CHEVRIER: What is the use of going all over it again.

Mr. ERNST: If Dr. MacTavish will not answer frankly, then I will have to go all over it again.

The WITNESS: Mr. Ernst, I am answering frankly. I cannot answer to satisfy you.

By Mr. Ernst:

Q. You have just sworn before this committee that you had done nothing with Mr. Bland's report, that Mr. Bland's report was one of the reports referred to, so that Mr. Bland was one of the officials referred to.—A. There was more than Mr. Bland, but I did not say that he was one of the officials that authorized these reports.

Q. Did you say he was an official who authorized the report?—A. This question, as far as I am concerned—

Q. Dr. MacTavish, will you answer the question? Mr. Bland's report from which I have read extracts, and his conclusion, was passed along with other reports from Mr. Putman, Miss Walker, Miss Guthrie and Miss Saunders to you with a covering letter from the Secretary of the Commission?—A. Yes.

Q. Mr. Bland's report, in particular, pointed out that the scheme which you had embarked upon with those two junior officials threatened the whole merit system, and in response you two commissioners, Tremblay and yourself, passed this Minute:

> We are giving consideration to the question of what action is called for on our part by the conduct of the officials concerned and the unauthorized preparation of these documents.

That was the award you gave them.—A. I am saying all the time, I don't know yet who authorized them.

Q. But that is not the point. Wasn't that your answer to Mr. Bland for the information he gave you?—A. Why, no, it was not, pardon me.

Q. What was?—A. It was an answer to that procedure of giving us reports unauthorized.

Mr. CHEVRIER: You have said that ten times.

The WITNESS: There is nothing else to it but that.

By Mr. Ernst:

Q. Yes, I notice. Can I go back to Mr. Putman's report, in the opening paragraph of which he says you asked him and Mr. Bland to comment?—A. Mr. Bland and Mr. Putman were told they would have a chance to make a report, but no one else was asked, and who authorized them, I don't know.

Q. I am talking again about Mr. Bland.—A. Well, we made a reference to the others.

Q. And Mr. Bland also?—A. Oh, yes.

Q. There is no distinction made, is there?—A. No, that is clear enough.

By the Chairman:

Q. It includes Bland and Putman?—A. It is clear enough that it included Mr. Bland and Mr. Putman, but it had three others that I knew nothing about.

By Mr. Ernst:

Q. May I ask you again, did it include Mr. Bland and Mr. Putman?—A. Yes.

Q. It did?—A. Yes.

Q. So that the memorandum to the Secretary, of May 6, 1927, had reference to Mr. Bland and Mr. Putman as well as the other three?—A. Yes.

Q. And with reference to Mr. Bland and Mr. Putman, as well as the other three who submitted the reports, you say:

> We are giving consideration to the question of what action is called for on our part by the conduct of the officials concerned and the unauthorized preparation of these documents.

A. But it might have been proper conduct. As events turned out it appears to have been proper conduct, but we were considering that, and we did consider it, and the result of our consideration is that there was no change.

Q. You realize, Dr. MacTavish, that I have never asked you whether there was a change or not; but do you suggest that that last paragraph might be read as a paragraph of commendation of these officials for doing this?—A. The unauthorized part of it is separate from the other.

Q. Just a moment.—A. I don't know who authorized them to make the report.

Q. I did not ask you that. Do you suggest that that was a commendation of them for being frank in their criticism of the scheme you had embarked upon?—A. No, I never thought of it in that light at all. Numerous times I had discussed this whole situation with Mr. Bland and I don't regard it as going out of the way, except this personal reference.

Q. Do you suggest—

By Mr. Chevrier:

Q. The only thing that was out of the way was what?—A. The personal reference.

By Mr. Ernst:

Q. Do you suggest that this last paragraph was a commendation of Mr. Bland for the report which he made?—A. It might be taken that way, but the unauthorized part of it is where you and I differ.

Q. The paragraph does not contain a commendatory remark of any kind, Dr. MacTavish.—A. There are two paragraphs.

Q. I will read the two paragraphs.

> We have perused the several reports submitted by you jointly under your communication of the 21st ultimo, and hereby acknowledge their receipt for purposes of record.
>
> We are giving consideration to the question of what action is called for on our part by the conduct of the officials concerned and the unauthorized preparation of these documents.

A. What is the matter with that?

Q. Do you find any commendation in there, Doctor, for them drawing your attention to the pitfall you were walking into?—A. I don't see any condemnation in that either.

Mr. ERNST: All right. Then I go to Mr. Putman's report with reference to the other investigator.

> Several weeks ago I reprimanded Mr. Simmins because I smelled liquor on his breath in the morning which confirmed in my mind the rumours I had heard that he was drinking during office hours. A few days later I found that when he had left a note on his desk that he was on duty in the Natural Resources Intelligence Branch he had not visited that office but was in fact drunk in Hull during the afternoon. As a matter of fact I know personally that he was not on duty this day when he himself specifically stated where he would be, because Mr. Lynch of the Natural Resources Intelligence Branch 'phoned to know where Mr. Simmins might be found. The upshot of this matter was that I had to call to the department to ward off a complaint to the Commission against Mr. Simmins as, in view of the work then in hand, I felt that it would be unfortunate if the work should be prejudiced by the conduct of Mr. Simmins. I reprimanded Mr. Simmins and while he first denied misconduct he soon admitted it, but did not take my reprimand with good grace and I have since felt that I perhaps was too lenient in not reporting the matter to the Commissioners.

Mr. CHEVRIER: Is that in reference to the same fellow, Mr. Ernst?

Mr. ERNST: No. I read a paragraph before you came in, from Mr. Bland's report.

Mr. CHEVRIER: Never mind, I will get it from the record, providing it is in the same file.

Mr. ERNST: Here is what Mr. Bland had to say about the other special investigator appointed:

> When reductions in staff are possible, I am in favour of making them by the proper method of the release of temporary employees. But when I find officers of the calibre and standing of the above attacked by a fellow officer (I make no mention of Mr. Simmins) who during his brief period of service with the Commission has by his insobriety made himself an object of reproach in the Commission, in the department in which he has worked, and in public, whose removal as examiner from one of his departments was twice requested by the Deputy Minister of that department and whose suspension was at one time under consideration by the Civil Service Commissioners, I can find no language strong enough to express my opinion of his conduct and my regret that he of all persons should have been chosen to report upon his fellow employees.

By Mr. Ernst:

Q. So those are the two gentlemen you selected to report on the reorganization of your Commission?—A. In the report of the ones they were investigating?

Q. That is, the report on their fellow employees.

By Mr. Chevrier:

Q. Doctor, were you at any time aware that what has been read now was true or not? Were you aware at any time that that was so?—A. No.

By Mr. Ernst:

Q. If you had made inquiry, you would have been aware.

By Mr. Chevrier:

Q. These men were in the employ of the Commission before you came in?—A. I might make a comment—

By Mr. Ernst:

Q. I ask you again, why did you not inquire before you appointed these men?—A. I answered that. I considered them, and still consider them, qualified to make that report to us.

Mr. ERNST: Thank you.

By Mr. Bowman:

Q. And you would do the same thing over again under similar circumstances?—A. I did not say I would.

Q. I am asking you, Doctor?—A. I say I would have to know what the circumstances were.

Q. I am saying under similar circumstances?—A. Under similar circumstances, yes.

Q. You would appoint the same men to do the same class of work?—A. I think I qualified that to this extent by saying, that as the result of that experience, or that investigation, I don't think I would have such an investigation, but we got the information we were after and we were satisfied the way things were going.

By the Chairman:

Q. Dr. MacTavish, am I to accept that answer or the one you made a short time ago this afternoon which I took down verbatim?—A. I was trying to recall what I said this afternoon.

Q. "I think they were eminently qualified for this job and I would appoint them again, unless it were proven that the charges contained were true." I endeavoured to take down your answer verbatim.—A. I don't challege that. That is just what I would say.

Q. That is about the opposite of what you are saying to Mr. Bowman. Which is correct?—A. Then I have misconstrued—if it is opposite, then I have misconstrued the question. My first answer is what I intended to repeat.

Mr. ERNST: I have nothing further to ask Dr. MacTavish.

By Mr. MacInnis:

Q. After receiving the report in the memorandum of Mr. Bland and Mr. Putman, in regard to these two investigators, did you ever, or did the Commission, take any steps to find out if their reference to those men was true or not?—A. I think we did. I answered Mr. Ernst that I spoke to the Secretary about it, I think, more than once. I spoke to Mr. Bland about it probably more

than once; but I was never impressed with seriousness of it as expressed in that report. My opinion was then and it still is—that in both instances it is exaggeration.

Q. Did you mention the matter to the men concerned themselves?—A. I didn't to Major Simmins. I don't think I mentioned it to Mr. Kemmis. I have not regarded is as good discipline on my part to do that. I would prefer they did that through their chief, and I might make the remark—

By Mr. Bowman:

Q. Regardless of the fact that they had been appointed to investigate their chiefs?—A. Oh, we were not investigating their chiefs, Mr. Bowman.

Q. Yes, you were.—A. Pardon me, we were examining the procedure.

Q. The procedure which was initiated and overlooked by the chiefs of the branches?—A. We found that the procedure was all right. It apparently was working all right.

By Mr. Ernst:

Q. Found out through the unauthorized reports?—A. Well, they were reports.

By the Chairman:

Q. Dr. MacTavish, there is apparently no record on the file to show that after the Commission had before it the reports made by the two investigators originally appointed, and the reports of Bland and Putman *et al*, that any action ever was taken by the Civil Service Commission. Can you tell me, from your recollection, if the matter of those reports was discussed and what action, if any, was taken, if it was ever considered at a meeting of the full Commission?—A. I don't recall that it was. I think probably not.

Q. I ask you because there is nothing on the file.—A. No, there is nothing on the file. The matter, as my recollection is, just dropped.

Q. If it were ever considered by the full Commission then there would be some Minute of it in the Minute Book of the Commission?—A. Well, there should be.

Q. I mean in the ordinary course of events?—A. There should be, Mr. Lawson. It should be there.

The CHAIRMAN: Any other questions?

Mr. CHEVRIER: Not at present. I am reserving my rights.

By Mr. Bowman:

Q. Dr. MacTavish, did I understand you to say to the Chairman that the Commission did not formerly meet to consider the report brought in by Kemmis and Simmins?—A. Afterwards?

Q. To consider the report?

The CHAIRMAN: The question I asked was this: Was there ever a meeting of the Commission after they had available the Kemmis and Simmins reports and the reports of Bland, Putman, *et al*, to deal with the matter, and the witness answered that he had no recollection of such a Minute, and then I said, if there was such a meeting, would there be a record of it in the Minute Book of the Commission, and he said there should be a Minute, if such a meeting ever took place.

By Mr. Bowman:

Q. And your recollection is that there was not a meeting of the Commission to consider the reports filed by Kemmis and Simmins?—A. I don't recollect any, Mr. Bowman.

Q. And was there a meeting of the Commission called to consider both the Kemmis and Simmins reports, and the reports filed by Mr. Bland, Mr. Putman and the other three whose names have already been referred to?—A. I don't recall one. My recollection is that we received them separately and considered them separately. That is my recollection.

Q. That is each Commissioner?—A. Yes.

Q. And apparently it was not thought of sufficient importance to engage the joint attention of the Commission?—A. Well, I would presume not. We were groping more or less in the dark and the report, in my estimation, was sufficiently answered. We did not adopt it. We did not do anything as regards the two examiners, the investigator and the examiner; we did not act on those reports at all.

Q. And you said a moment ago that the reason you did not was because you had found out that everything was all right?—A. Well, it seemed to be.

Q. But do you not remember this, that the vital part, and important part, of the Kemmis and Simmins report was a re-organization, a suggested re-organization of the working of the Commission?—A. They did, yes.

Q. That was a tremendous change in the mode of operation of the Commission, it involved a tremendous change; it involved an entire change in the proceedings of the Commission, had it been adopted.—A. Oh, no, not an entire change.

Q. It did not?—A. Not an entire change, a considerable change.

Q. In which the management of one branch, the Examination Branch, was to be handed to you, and the management or control of the Organization Branch was to be handed to Mr. Tremblay?—A. That is their suggestion, but I personally never considered it seriously for a minute.

Q. No. That was the suggestion?—A. That was the suggestion.

Q. And that was the important suggestion; that was the most important suggestion which was made in this report?—A. It was not an important suggestion as far as I am concerned. I didn't consider it important.

Q. You did not consider it of importance at all?—A. I thought it was something I wouldn't care to do, that is all.

Q. And so you just passed it up?—A. Well, I might say quite frankly and seriously that I didn't consider it worth considering. It wasn't a procedure that I would entertain.

Q. I suppose before you asked those two subordinates of your department to make the investigation that you considered the matter seriously, before the investigation was started?—A. Oh, but they went beyond that. Our whole intention, at least my whole intention, was to improve the procedure, especially as to delays and complaints.

Q. And what you find fault with is that these two men went beyond their instructions?—A. I am not finding fault with it, Mr. Bowman, but it is a fact though that they did. They went further than I thought they would go.

Q. And so the whole thing just petered out?—A. Petered out.

Q. Is it the practice that the head of a department assign some subordinates to investigate the actions and the mode of business of the organization?—A. Are you speaking of the Civil Service Commission?

Q. I am speaking of your Commission, yes?—A. There hasn't been anything of the kind but that instance to my knowledge.

Q. And you did at that time consider it the proper thing to do as an administrator?—A. I did, yes.

Q. And you still think it is?—A. I do still think it is my function to get all the information I can.

Q. Even if you have to go—as you did in this case, secretly, to those men?—A. Oh, pardon me—

Q. Just a minute, now, over and above the heads of the branches?—A. I cannot accept the word, secretly, Mr. Bowman.

Q. As a matter of fact, that is what you have stated, that you did not consult Mr. Putman and you did not consult Mr. Bland, prior to appointing these men to make this investigation; that is your evidence?—A. I did not consult them, but it is on the record that they were appointed for that purpose, and the thing was taken up quite properly and in order.

Q. Though, as I said, without first consulting Mr. Putman or Mr. Bland? —A. Yes, and I also said, Mr. Bowman, that I did not think it was my duty to consult the man whose branch was being investigated.

Q. It was your Commission that was being investigated, was it not?— A. It was the chief of the branch—

Q. But were not you over that?—A. Oh, yes, and I was seeking information for myself as a Commissioner. I think I got a good deal of information, and I think it was a good thing to do.

Q. Apparently, if you got a good deal of information, it didn't amount to much, because you didn't do anything.—A. Isn't it information to be satisfied with the procedure as it is. We had a lot of complaints. You gentlemen have had complaints as to the administration of the Act, and we have had a great many more than you have had.

Q. And the whole sum and substance of the investigation was satisfaction on the part of the Commissioners that everything was going all right.—A. There have been some changes made, I believe. Mr. Bland has told me that there have been some suggestions made in the report of Messrs. Simmins and Kemmis that have since been adopted.

Q. What are they?—A. I am saying Mr. Bland has told me that, and they are of minor consequence.

Q. They are of minor consequence, and so minor that you do not recollect them at the moment?—A. I cannot tell you what they were; they were not important.

Q. Might I refer again for a moment to the memorandum which Mr. Ernst read to you this afternoon, and which bears your initials and those of Mr. Tremblay, also the memorandum in the margin by Dr. Roche. I am referring now, Doctor, to the order of the House of Commons in respect of certain returns. This is the paragraph which was previously read. I read it again in order to draw it to your attention:—

> It is unfortunate that a couple of these documents contain personal observations which should not have been included in an official document.

Now, might I just stop there. That is part of the quotation. I do not refer to that, because that was covered this morning:

> These remarks were made evidently under a complete misapprehension of the situation.

Now, this is the part that I want to draw your attention to now:

> However, I suppose they would have to be included unless Messrs. Bland and Putman are willing to withdraw them.

Do you remember that?—A. Is that mine?

Mr. ERNST: That is Mr. Tremblay's statement.

Mr. BOWMAN: I don't know whether it is Mr. Tremblay's. Have a look at it.

Mr. ERNST: I think it is Mr. Tremblay's.

The WITNESS: This is a memorandum of Mr. Tremblay.

Mr. ERNST: Your initials are at the bottom?

The WITNESS: Yes, N. MacTavish.

Mr. ERNST: Yes.

The WITNESS: "See my decision of April 14, 1931, hereunder."

By Mr. Bowman:

Q. Yes. Well, that has reference to the fact that this has been drawn to your attention, and you read it at that time and made this notation?—A. Yes.

Q. Now, has that been the practice of your Commission, that after statements have been made—as were made by Mr. Bland and Mr. Putman—that they can be withdrawn by those parties and not presented to the House on an order for their production?—A. We have, as far as I know—I confess that I don't know the rules of the House—but we have regarded, I have regarded, private matters, matters that would be injurious to an individual—

By Mr. Ernst:

Q. Do you regard that as a private matter, a report on which an opinion is voiced?—A. Have I regarded it as private?

Q. Do you now regard that as a private matter?—A. It is a public file now.

Q. I am not asking you about the file. Do you regard that particular paragraph in Mr. Bland's report as private matter?

Mr. CHEVRIER: Why not ask him what he considers to be a private matter.

Mr. ERNST: I am not interested in generalizations.

The WITNESS: I cannot say that without qualification.

By Mr. Ernst:

Q. Well, do you, or do you not, regard that particular paragraph as a private matter?—A. I cannot answer it without qualification.

Q. You attempted to answer that it should be excluded. There is only one ground on which it could be excluded.—A. I say if that had gone out—just as we are trying to protect them now—I thought we should regard that as a private matter. We do occasionally—

Q. I am not asking what you might do. Do you or do you not regard that as private matter?—A. Mr. Ernst, I cannot answer that—

By Mr. Bowman:

Q. Certainly you can. What is to hinder you answering yes or no as to whether you consider it private or not?—A. I am saying, without amplifying, that I cannot. It is a public document, but, to my mind, that part should not go out.

Mr. CHEVRIER: That is all right, that is fair. It is a public document, but there is part of it which you think should not be published?

The WITNESS: I cannot say yes or no.

By Mr. Bowman:

Q. All right. Now, will you answer this with regard to these two documents? Had Mr. Bland withdrawn his report, what would you have done then? Put it this way: Had Mr. Bland put in a request to the Commission at all to be allowed to withdraw his report, would you have permitted him to take it off these public files and not produce it in the House of Commons?—A. I don't know that I would have, Mr. Bowman.

Q. You don't know that you would have?—A. No, I don't know that I would have.

Q. Well, then, why——A. Pardon me again. I have had this opinion, and it has been my practice, that we hold back private papers, unless they are absolutely called for by the House.

By Mr. Ernst:

Q. Which brings it right back to the question, do you regard this as a private document?—A. I know I regard part of it as private.

By Mr. Bowman:

Q. Well, do you consider Mr. Bland's report on this file a private document? —A. I do, that part of it.

Q. I see, so you divide it up?—A. But, Mr. Bowman, I regard that part of it as a private document, and it was put there,—well, I cannot speak for Mr. Bland.

By Mr. Chevrier:

Q. You would have put in the document, the whole document, if that part of it to which you took objection at the time, had not been in? You would have put in the whole document less that?—A. Repeat that, please.

Q. You would have put in that document, if the portion which you have just stated you regarded as private had not been in?—A. Certainly.

Q. You would have put the rest in?—A. Certainly.

By Mr. Bowman:

Q. That is, you would have deleted from a production to the House—

Mr. CHEVRIER: No, that is not my question.

Mr. ERNST: You got your answer.

The CHAIRMAN: Surely another member of the Committee is entitled to follow it up if you are finished. If you are not finished, then I desire to preserve your rights, Mr. Chevrier, so that you will not be interrupted.

By Mr. Bowman:

Q. Then, in connection with that report, you would have taken the responsibility upon yourself to have deleted the parts which you thought were private and submitted the rest to the House?—A. If they were accepted as private. I have been making this statement all the time, Mr. Bowman, that my opinion, or practice, is, that when we get sometimes a request for certain documents we follow the usual practice, and then if we get a second request for all of the documents—

Q. Dr. MacTavish, you know just as well as I do that you are not answering the question.—A. Mr. Bowman, I am answering it.

Q. With all due respect, you are not.—A. Pardon me, I am giving you an answer just as well as I can. I was trying to shield those two men.

Q. You were trying to shield those two men against an order from the House of Commons?—A. If the order from the House of Commons came in, as I would understand it, for all private documents, then that would go too.

Q. Then it is a sorry state of affairs if the members of the Commission are going to shield someone from an order brought down from the House of Commons.—A. Oh, no.

By Mr. Chevrier:

Q. To what extent were you trying to shield those people, to the extent of the whole document?—A. Oh, no, to that part.

Q. Why not say so.

The CHAIRMAN: I think he has said it.

By Mr. Bowman:

Q. Well, please answer this question: Had Mr. Bland requested permission to withdraw that report after the order had been made for the return of those papers, would you have permitted him to have done so?—A. I answered that I did not know whether I would have or not. I would have inquired whether the House would demand them or not.

Q. How could they have demanded it, Dr. MacTavish, if they did not know it was there?—A. Well, I think they usually know what is there, the one who asks for it.

Mr. CHEVRIER: This time they evidently did know.

The WITNESS: I think so.

Mr. ERNST: Fortunately, yes.

By Mr. Bowman:

Q. So the only way, apparently, that a Member of the House of Commons is sure that he knows what he is getting is that if he has seen the file before he has asked for it.

Mr. ERNST: Or someone tells him about it, otherwise this Commission is all-powerful and does just what it pleases.

Mr. CHEVRIER: What difference is there between that and the Canadian National?

Mr. ERNST: They at least say—We decline to bring down the information as a matter of public policy.

By the Chairman:

Q. Dr. MacTavish, there is something that is bothering me a good deal in connection with this matter. You became a member of this Commission in June of 1926, according to your statement this morning, and Mr. Tremblay at or about the same time, and on March 29, 1927, having had not more than eight months' experience, you and Mr. Tremblay, without any consultation or reference to the man who had been on this Commission for some years and who was the head of it, the Chairman, make an order or direction instructing Messrs. Kemmis and Simmins to carry on this investigation. Can you offer me any explanation as to why Dr. Roche, the Chairman of the Commission, was not consulted about the matter, or told of it, or why the matter was not brought up at a formal meeting of the Commission for discussion?—A. It was brought up.

Q. No, pardon me.—A. It had been discussed before.

Q. Let me be clear now, Dr. MacTavish. I make a practice of making notes as I go along of certain things I want to remember, and I put down here this morning that you swore in your evidence that you started in June, 1926, as a Civil Service Commissioner—that on March 29, 1927, Commissioner Tremblay and I—and I then both quoted and underlined your own words—without consulting Dr. Roche selected Simmins, a junior investigator, and Mr. Kemmis of the Examination Branch, to make this investigation. It was not until the 31st of March, two days later, that Dr. Roche was, apparently, even advised of what was going on, whereupon he immediately recorded his dissent and disapproval of those subordinates being used to investigate their senior officers. Now, I say, can you offer me any explanation or reason as to why you two junior commissioners, recent appointments, took this action without the knowledge of, and without advising or consulting with the Chairman of the Commission? Frankly, it is bothering me, and I would like to have, if possible, an explanation of it.—A. Well, we had repeated complaints, just as you gentlemen have had. There is no use in saying you haven't because you have, very many. We had all kinds of complaints. We had complaints from departments—

Q. When you say "we" do you mean the Commission?—A. I am speaking now of Commissioner Tremblay and myself. We came there as new members of the Commission and it was new to us. There is a good deal to see through,

as you gentlemen no doubt realize, in the administration of the Civil Service Act, and we had these complaints so much that we concluded that there might be something in them, there might be a way to overcome these delays.

Q. That is, apparently you and Commissioner Tremblay had conferred among yourselves?—A. When I say "we," I mean Commissioner Tremblay and myself.

Q. I say Commissioner Tremblay and you had conferred as between yourselves as to those complaints to which you refer without mentioning the matter to the Chairman of the Commission or consulting him with reference thereto? —A. Yes. We did not consult the Chairman, and there was not, according to your impression, anything personal in the matter at all. They were not asked to investigate any individual, any head of the branch, it was only as to procedure.

Q. Please don't say according to my impression, because I have taken your own words here and quoted them back to you. But leaving that aside for the moment, as to whether that is an impression of mine or not, that subordinates were asked to investigate heads of branches and so forth.—A. Oh, no, to investigate the procedure to see if they could make any suggestions of improvement.

Q. Well, is there any reason you can offer me why the Chairman of the Commission should not have been consulted, or even told, what you junior commissioners, if I might call you that, at that time were proposing to do. —A. Well, without reflecting on Dr. Roche—which I would not for a moment want to do, and do not—my idea was that it would be better not to consult Dr. Roche, because I thought that he could not very well approve of it.

Q. Why?—A. Because it had been going on, according to the charges that were made, or the complaints that were laid—had been going on for some considerable time, and it would be a reflection on Dr. Roche.

Q. And when you say, "had been going on for some time," you are referring to the alleged delays caused by the procedure in making appointments, promotions, etc.?—A. Yes, all the procedure of the Commission.

Q. All the procedure of the Commission?—A. But mostly affecting the organization branch and examination branch.

Q. May I take it that that was the reason that you and Commissioner Tremblay issued those instructions to those two men to make this investigation or inquiry?—A. We did not issue as I recall it—we did not issue instructions to them until we took it up with the Board.

Q. Oh, no, no, Dr. MacTavish, let us be clear?—A. Dr. Roche had an opportunity to approve or dissent.

Q. No, no; let us be clear. The memo. on the file shows that on March 29, 1927, Commissioner Tremblay and Commissioner MacTavish instructed Simmins and Kemmis to conduct this investigation and to use your own words of this morning which I took down in writing you said, "Commissioner Tremblay and I, without consent of Dr. Roche selected Kemmis, etc., etc., and Simmins, etc., etc., "Now, it was not until the 1st of April—

Mr. ERNST: The 31st of March.

Q. It was not until the 31st of March, or two days later, that the matter came to the attention of Dr. Roche at all whereupon he immediately recorded his dissent, not to such an investigation and report being obtained, but to those two junior officials being assigned to perform that task?—A. I presume that is correct.

Mr. ERNST: You know it is correct. You saw the memorandum this morning and read it.

The WITNESS: Those facts you speak of, I do not know; I cannot remember how soon it was, but I know that Dr. Roche knew about it shortly afterwards—we were taking that procedure.

By the Chairman:

Q. Obviously he could not sit as Chairman of the Commission and have an investigation proceeding under his nose without knowing about it?—A. Not likely.

Q. I want to give you every opportunity to offer to this Committee any explanation you have as to why it was done on the 29th of March without consent of Dr. Roche and without calling a meeting of the whole Commission to discuss the situation, and so far you have given me one reason which you consider a good and sufficient one, namely, that because Dr. Roche had been on the Commission for a period of years, when these alleged delays had been taking place, and you thought it not proper to consult him with respect to this proposed investigation?—A. Oh, no, I did not say that I thought it was not proper.

Q. I am trying to express your views. You did not think it necessary?—A. I thought it was advisable not to, put it that way.

Q. Is there any other reason?—A. Yes, many other reasons.

Q. May we have them please?—A. I would like to make this statement that I had then and still have the highest regard for Dr. Roche and his actions as a Commissioner. It was something we were trying to find out for ourselves in answer to the complaints we were receiving on all hands, and especially from some of the deputies, as to the delays. Now, I felt that if we were to go to Dr. Roche about it, to tell him we were going to have this investigation, he would be put in the embarrassing position of having to dissent. He did dissent eventually.

Q. Not on the main question. Let us not lose sight of that fact. Dr. Roche in his memorandum, when it came to his attention, did not dissent as to there being a report or investigation; he dissented about two junior officials in the Commission being appointed to undertake the task?—A. That is part of what I mean. He would have been—I do not like to say embarrassed—but he would have taken that stand which he did take. That, in one sense, is the usual objection he would make, that it would be the proper procedure to have the officials higher up make the investigation.

Q. Now, as a matter of fact, after Dr. Roche did have knowledge of this and recorded his dissent, you still went on with it, under the authority of yourself and Commissioner Tremblay?—A. Yes.

Q. And I now have the statement that you issued instructions to Kemmis and Simmins to make the investigation and that even though Dr. Roche dissented you and Commissioner Tremblay could still have carried on?—A. Yes.

Q. And from time to time you knew that Dr. Roche did dissent from the judgments of Commissioner Tremblay and yourself and still the matters went on because the majority of the Commission governs?—A. Yes.

Q. Well, then, does that not rather take away your ground that the reason you did not want to consult Dr. Roche about the matter was because he might object to it, he having been in the saddle while this condition so complained against was going on?—A. Mr. Chairman, he did dissent and it did go on afterwards, but he could not dissent before. Dr. Roche constantly dissented throughout the whole procedure as I recall it.

Q. That is quite true, Dr. MacTavish, I am only dealing with your reason given here. You gave to me as a reason why Commissioner Tremblay and yourself appointed these men without the knowledge of and without the approval of Dr. Roche, and without even consulting him in connection with the matter, was because having been one of the Commissioners when these delays occurred you thought he would not approve of such an investigation being held, and I say that you and Commissioner Tremblay knew, at that time, that whether he did or did not approve, it still went on, if you two said it should go on?—A. It did not go on without his knowledge of it.

Q. Please, Mr. MacTavish, I do not know whether I lack the facility to express myself clearly or whether you lack the power to comprehend my questions, but you are not answering my question; you are stealing away from it—A. Not purposely.

Q. I am not suggesting that. I am talking about results?—A. Yes.

Q. The point I want you to answer, if you will, is this: Both Commissioner Tremblay and yourself knew on the 29th day of March, 1927 that whether or not Dr. Roche consented or dissented you had the power to order this investigation?—A. Or any other investigation, yes.

Q. You knew that?—A. Yes.

Q. Knowing it, I say do you think your reason is a very cogent one when you say that you and Commissioner Tremblay ordered this investigation without his knowledge because you thought he might dissent?—A. We might have ordered it secretly, but we did not.

Q. We will not have a play of words. The fact remains that you and Commissioner Tremblay did order it without reference to your fellow Commissioner, without advising him and giving him any knowledge of it?—A. We thought it was a good way of finding out; and what I wanted to find out I did find out.

Q. Is there any other reason why this was done?—A. No. I would like to make a recapitulation when I have an opportunity, but probably you want to ask me more questions.

Q. No. I am trying to give you every opportunity to give every reason and explanation, but you have raised one matter that is troubling me greatly as to why two Commissioners, comparatively recently appointed, without the knowledge or approval or even consulting the Chairman of the Commission, appointed these two gentlemen to conduct this investigation. I want to give you every opportunity possible to answer that question?—A. As I said this morning, after we came there, and continuously, there were complaints, we might say, from all sides—you yourself know about some of the complaints—we had them from members of Parliament, from individuals, and from heads of departments—all kinds of complaints. To most of them we did not pay any attention, but there were these complaints right under our noses as to delays, and that the machinery did not operate quickly enough. Now, we discussed that, and there was in my mind no other reason—I had no motive or intention of investigating an individual, especially the Chairman.

Q. There is no suggestion of the Chairman being investigated?—A. Or the Secretary or the head of any branch. No individual was in my mind at all. I repeatedly said that to the ones who approached me about it. There was a good deal of talk in the Commission offices, and a good deal of excitement, I may say, or stir, about the matter—far more than anyone might expect—and anyone who spoke to me about it—and numerous ones did—received the answer there was no intention to investigate any individual. The report, as far as I was concerned, was as to procedure, any suggested improvements, and we went about it. Apparently, on the file there were two days elapsed before Dr. Roche made his dissent.

Q. Before he had any opportunity of making it; let us be fair?—A. I will say apparently two days elapsed. I do not very well recall the time, that is, the intervening time, for I have not seen that file except this morning, but I will say, and I speak for myself, I thought that that was a good way to find out if these men were capable of making a report and find out from them whether there was any improvement to be made in the machinery—I call it the machinery. That was all that was done in my mind, nothing else, no invididual at all; and I repeatedly said that to the ones that spoke to me about it—the Secretary, Mr. Bland, and especially the Secretary and Mr. Putman. I was rather surprised

when the report was made by Messrs. Kemmis and Simmins, as to the extent of it, and it was altogether beyond what I had expected, but what Mr. Bowman called the drastic changes in the Commission's procedure—was not considered by me at all, at least, except as a sideline; and the net result of the whole thing—you may call it the gross result, because there was neither net or gross result—was that we abandoned it, and I was satisfied that things were not in any bad shape; they were going about as well as they could, and that we were not able to speed up, and there was no reason for any drastic changes. Mr. Bland afterwards told me several times, when I spoke to him about it, that one or two changes, as I said to Mr. Bowman, had been made as a result of the report. Just what they are I do not remember, but they were not important. You might look at it this way, that the report was not of any consequence, as I see it, after it was made. I thought that there might be chances for improvement before it was made, but I was convined afterwards that things were going all right, and I think that this Committee ought to give us that much credit.

By the Chairman:

Q. Dr. MacTavish, if I am not interrupting you, I say to you frankly, in case you want to offer any explanation of the situation, I am considerably puzzled by your statement when you say that the report was not of any consequence, when I find your signature to a memorandum, referring to the report and after it was in your possession, and after you had the reports of the officials, the heads of the branches, in which you say, "We will have to consider what action shall be taken on the conduct of these officials" who had, apparently presumed to submit a report in opposition to the Kemmis report, their report in opposition thereto apparently not being one which you considered authorized? —A. In my opinion, and I say it quite respectfully, Mr. Chairman, that is probably the least important item on that file, as far as this investigation is concerned,—

Q. Unfortunately, Mr. MacTavish, and I say it respectfully, as one of the gentlemen who have to come to a conclusion in this matter, in my opinion, that memorandum was one of the most important things, and therefore I am trying, in fairness to you, to give you every opportunity to give me any fact or explanation or information which might influence my opinion in respect to that matter? —A. That I will try to do. That memorandum amounted only to this, largely, I would think, if I might put it in that way, that we were arrogant or high-hatted enough to be offended because reports were put in without authority of the Commission; and with them we were considering what action we would take. That to my mind is the only significance of that memorandum. We might have considered them and congratulated, as I said before, the persons who made them. We certainly acted upon them, as against the other report. They were an offset to the other.

Q. The statement you are now making to the Committee is very different from the explanation you gave of that memorandum this morning. May I take the statement which you are now making to be the correct one?—A. You can give me this credit, that this morning questions were being bandied back and forth and I had not a proper conception of them. Mr. Ernst gave me every opportunity, but I had not a chance to make an explanation, but I make that explanation now and that is my conception of that memorandum.

Q. And I may take that as your final explanation of the matter, rather than the ones which you gave this morning?—A. Yes, I see no other, Mr. Chairman.

Q. I want just one or two other points cleared up for my satisfaction. Were there any other instructions given to either Mr. Kemmis or Mr. Simmins by you or by any one to your knowledge, as to what they were to report upon, either verbally or in writing?—A. Nothing except—

Q. Other than this letter from Mr. Foran to them, of April 1st, 1927, in which he told them they were relieved from all work in order to conduct the investigation?—A. Yes, they had no instructions from me.

Q. Or from anybody with your knowledge?—A. Not with my knowledge, except, as I say, as to speeding up. That is the only thing of any consequence that I recollect.

Q. You say as to speeding up. Had they instructions?—A. That is the only instruction from me,— nothing except that.

Q. What instructions had they from you verbally or otherwise?—A. To do what they could to improve our procedure to eliminate delays.

Q. In making appointments and promotions?—A. Yes. I had no other motive.

Q. I am not questioning your motive for the moment, but am asking what actually happened?—A. I certainly gave no other instructions. That was what we wanted.

Q. So that, so far as you are concerned, anything which their report covers other than the matter of procedure which might be adopted for the purpose of speeding up appointments and promotions, was extraneous to the instructions which they had from you?—A. Yes.

By Mr. MacInnis:

Q. I would like to ask how are meetings of the Commissioners called, that is, the regular meetings of the Commission?—A. Oh, very informally. Usually the Chairman will,— the Chairman could tell you better than I, but we would say to the secretary to ask if the Commissioners could hold a meeting. We hold a formal meeting twice a week, but any extra one would be at the call of the Chairman or at the call or suggestion of any Commissioner, if it was convenient, back and forth between ourselves, or through the secretary.

Q. If it became necessary to hold a special meeting of the Commission, I presume each Commissioner would be notified and given an agenda for the meeting?—A. Oh, yes, if he is there to attend it, an endeavour would be made to notify him. I might say this, that if there was any matter in which his colleagues knew he was particularly interested, or if it was in his department, it would not be dealt with during his absence.

Q. When yourself and Commissioner Tremblay came to the conclusion to appoint this committee to investigate the procedure of the Commission, were all the Commissioners notified?—A. I do not remember. I cannot answer that. I do not remember whether Dr. Roche was or not.

Q. Well, if Dr. Roche was not notified of the meeting and was not present, would that be a legally called meeting of the Commission?—A. No, that would not be—if he was not notified it would not be a regular meeting of the Commission.

Q. And if that was not a legally called meeting of the Commission, could the Commission transact any business which would be legal?—A. Pardon me?

Q. If that meeting at which the investigators were appointed was not a legally called meeting of the Commission, would anything that the Commission would do at that meeting be legal?—A. Oh, quite. I could myself ask or instruct anyone to make a report to me on anything, without consulting anybody; and have done it.

Q. Then, in that case, if any two Commissioners are interested in any particular thing, all they have to do is to call a meeting?

The CHAIRMAN: They do not need to call a meeting.

By Mr. MacInnis:

Q. Or meet together?—A. That would not be what we would call a board meeting. Two might get together and say, We will do so and so. I might

ask the chief of the examination branch to report to me on something or other, or I might ask the head French examiner, or anybody for that matter; or two might, or three; but for a regular meeting of the Commission, with minutes taken and such like, all would be notified.

Q. But that is a different thing from investigating the whole organization or the whole routine of the Commission itself, its whole procedure in carrying out its business. You were here not asking for a report on some one particular person or thing, but you are asking for a report on the whole procedure that the Commission worked under, and as to how that procedure might be changed?—A. Yes.

Q. I suppose, one would think, that the Chairman would be interested in improving the efficiency of the Commission?—A. Oh, yes.

Q. And yet you did not inform the Chairman that you were holding this meeting to appoint a committee or a commission to investigate the working of the Commission?—A. As I say, Mr. MacInnis, I do not remember whether he was notified or not; he may have been. I think Dr. Roche could speak probably as to that more confidently than I can. I do not recall that part of it.

Q. Well, do you not consider it a very reasonable thing that he should be notified?—A. It would be reasonable; but do you see this, the Act gives the Commissioner any means he likes to take to get information. If I, as a Commissioner, wish certain information I can take means to get it; but I do not act on it without calling my colleagues together. So that, if I wish to make suggestions, and such like, I can call anybody and get information, but I have no power to put it into effect. The moment we would start to put anything into effect, then certainly everybody would be notified; at least the three Commissioners would be notified.

Q. Do you not think that before you put it into effect at all, in a major matter of this kind, not only the getting of the information but how you would go about getting that information should have been considered?—A. As I say, there was no secret about that. I do not recall whether Dr. Roche was notified of this meeting or whether there was a meeting in the ordinary way. There are two days difference apparently between the time of that one minute and the date when Dr. Roche made his notation. I do not recall whether he was at a meeting and discussed it with us or not.

Q. Did you ever discuss the matter with him, before you and Commissioner Tremblay had decided on appointing this committee?—A. I think I answered this morning that I did not, and I do not recall that I ever did. I do not think I discussed it with Dr. Roche before. I thought that was a good thing to do.

By Mr. Chevrier:

Dr. MacTavish, look at this chart contained in the report, in what we might call the Kemmis-Simmins report, the second chart which shows the Chairman at the top and then a commissioner of organization, and a commissioner of examination; if this had been put into effect, would that have considerably cut the activities of the Chairman of the Board, reducing his activities?—A. None whatever.

The CHAIRMAN: I think, Doctor, you should read the report before you make that answer.

Mr. ERNST: The body of the report makes it apparent that it would.

The CHAIRMAN: The report is very sweeping.

By Mr. Chevrier:

Q. If the report had been accepted, would it in any way have interferred with the operation of the Act, so far as the merit system is concerned?—A. I do not know that it would, as I said before. I would have to repeat it, Mr. Chevrier, that I never seriously considered this report.

Q. When you say you did not seriously consider it, just a casual glance at the files which Mr. Ernst showed me a moment ago, shows a report, I think, from Mr. Bland to the effect that if this report were carried out it would seriously affect the merit system. Did you seriously consider that?—A. Yes.

Q. But the report was never adopted?—A. No, it was never adopted at all. It was a surprise to me.

Q. What was a surprise to you?—A. This proceeding. I never asked for anything like that.

By Mr. Vallance:

Q. The whole thing that prompted you to set up this investigation was your desire to speed up and improve the work of the Commission?—A. Nothing else.

Q. I have not had an opportunity of reading the report submitted, but have just glanced through this report, and I wish to ask you a question. Do you want to tell me now that there was nothing suggested in this report that you thought would be accepted and put into operation?—A. I spoke to Mr. Bland about it, after it was put in, and we discussed it, and I asked him—you see there is no record of this and this is just my recollection—if he thought there was anything we could adopt from that report which would be beneficial, and he replied saying that there probably were some things, and that as soon as they could they would put them into effect. Just what they were I cannot recall; but I understand they had been put into effect, but they were minor things, as to elimination of delays.

Q. Did the report of those others, that is, Mr. Bland, Mr. Putman, Miss Saunders and the others, in the report that you got from them in any way influence you against accepting this report or acting on this report?—A. Well, I would not have been in favour of it, whether they were put in or not. They were a verification of my own feelings in the matter.

Q. So that you carefully perused all the reports that were presented to you? —A. Yes.

By Mr. MacInnis:

Q. You said that the memoranda received from various members of the staff were a verification of your own conclusions in the matter?—A. No, I do not think I said that, Mr. MacInnis. I think I said that even if they had not made these reports, I would not have been in favour of adopting the report as presented by Messrs. Kemmis and Simmins.

Q. I thought that was your reply to the question asked by Mr. Vallance. Did the Commissioners as a whole ever discuss and consider this report?—A. I think not. I think I replied to that effect before. If we did, I do not remember it.

Q. You never discussed it and went over it clause by clause to find out just what was really in it, and as to whether it would be workable?—A. The reports were sent to us individually, and, as I recall it, nobody thought it was worth while bringing us all together over it. I know I did not.

By Mr. Vallance:

Q. It was not worth while, Doctor, either to bring the Commission together to discuss the feasibility or possibility of setting up such an investigation committee, nor yet after you had set it up you did not think it was important enough to call the three Commissioners together to discuss the report—is that it?—A. I was satisfied that things were going along pretty well, and that the complaints we had received had no foundation; and therefore I asked for nothing further. I did not want any further investigation; I was satisfied with the procedure.

By Mr. MacInnis:

Q. You say you were satisfied with the procedure. How did you satisfy yourself? When the committee was appointed you were not satisfied?—A. No, because, as a Commission, we received complaints from time to time that there were unnecessary delays. That was one reason.

Q. That was the reason for appointing Kemmis and Simmins to investigate the procedure?—A. Yes.

Q. When Kemmis and Simmins made the report, you had satisfied yourself that there was nothing in these reports which you were getting as to delays?—A. I did not say "nothing" but—

Q. I beg to differ. That is my conclusion from what you have said?—A. You see you must give me some leeway.

Q. I am giving you all the leeway you wish to take?—A. If you got that impression, I did not intend to leave that impression. I discussed with Mr. Bland whether there was anything in the report of Messrs. Kemmis and Simmins which could be adopted and used by the Commission to improve things, and his reply, as I recall it, was that there might be one or two things, but there was nothing of very great consequence. And he said to me since, that one or two things have in the course of time been adopted. But in my estimation Messrs. Kemmis and Simmins departed from the original intention and made suggestions which, as far as I was concerned, were not to be entertained at all.

Q. Here is a peculiar situation, as it appears to me. First you appointed a committee, Kemmis and Simmins, over Mr. Bland's head, to investigate procedure; and then after they reported to you, you asked Mr. Bland whether there was anything in their report worthwhile or not?—A. Yes.

Q. Would it not have been better to appoint Mr. Bland in the first place, to ask him to investigate the procedure and give it to you direct?—A. It would not have been quite as satisfactory or convincing to me.

Q. Let me put it again to you. You appointed the committee of two, Mr. Simmins and Mr. Kemmis. The Chairman very properly pointed out that it was a very unusual thing to appoint subordinates to investigate the work of their superiors. Now then, after having received their report, you go to Mr. Bland and you ask him: Here is a report from the committee that was appointed to investigate the procedure in connection with our routine work. Will you let me know whether there is anything in there which is of any value or not?—A. That is not quite the situation, Mr. MacInnis.

Q. Not in so many words, but it is in effect, is it not?—A. He had already made his report.

Q. Who had already made his report?—A. Mr. Bland and some others had made a report in rebuttal; and I had, I mean to say, many discussions with Mr. Bland about the whole thing, before the reports were in and after; and I have every confidence—I had then and still have—in Mr. Bland. And as a result of the report of Messrs. Kemmis and Simmins, we took no action of any material consequence. I was convinced that things were going along pretty well, and that the complaints that we had received were not justified.

Q. What convinced you that things were going on pretty well, that is, that things were going on all right, from the time that the committee was appointed until the committee made its report?—A. No, I do not say that. Their reports and the reports that we received in rebuttal and discussions that I had had as well.

Q. When Mr. Tremblay and yourself were appointed to the Commission, the appointment of this committee to investigate the procedure was one of the first things that you did?—A. Oh, no, this was six months or more afterwards.

Q. Very well, we will leave that part out. But you were receiving complaints, that is Mr. Tremblay and yourself were receiving complaints that there was undue delay in making appointments?—A. Yes, and in the examinations, in effect, the general procedure, all the business and machinery.

Q. In order to find out just whereabouts in the routine of making the appointments this delay occurred, Mr. Tremblay and yourself came to the conclusion that you would appoint a committee to investigate?—A. If you call it a committee.

Q. And you appointed Mr. Kemmis and Mr. Simmins?—A. Yes.

Q. And then some time was taken to investigate, and then they made a report to you?—A. Yes.

Q. And when they made the report you had come to the conclusion, by the time you had received the report, that there was no foundation to the complaints and that the appointments were made about as fast as they could be made?—A. Oh, not then, no, I had not before we received it.

Q. But by the time you had received the report?—A. Do you mean after they had been perused?

Q. After you looked it over,—you said you did not give it any consideration whatever, so that you must have found out by that time that the procedure was quite proper?—A. No, I think you have misconstrued what I said.

Q. Say it again, then?—A. Do you wish me to repeat it?

Q. Yes.—A. I intended to say this, if not in so many words, that after the first report had been handed in,—

Q. What first report?—A. Kemmis' and Simmins' report, and then we had received the unauthorized reports.—we had some trouble this morning over those unauthorized reports,—but after we had received those reports and considered them and discussed the matter, not at a board meeting, as I recall it, but I know I did with Mr. Bland several times and with Mr. Putman, I came to the conclusion that the complaints we had received had no justification.

By Mr. Chevrier:

Q. But that was after receiving the original report of Simmins and Kemmis and the other reports?—A. Yes, all of them. It was not before the first two or immediately after the first two; it was after they were all in.

Mr. Ernst: Simmins' report says they were all wrong; so that that did not convince him.

By Mr. Chevrier:

Q. In order to get it clear in my own mind, you did go over the report submitted by the two gentlemen to whom you had confided the task of making some sort of a report?—A. Yes.

Q. And you did go over the reports, among which are those of the two ladies mentioned this morning?—A. Yes.

Q. And am I right that it was after reading the report of the two and then the five reports that you came to the conclusion that things were going on as well as was practicable, and there was no need to take action on that report?—A. Yes, but we are losing sight of the factor, after the five had been asked by somebody to make a report,—I do not know who it was,—we as a board gave instructions that others, heads of branches or in important positions, should make a report also; so that there were further reports. And as a result of the whole thing no action was taken.

Q. But you considered all the reports?—A. We considered them all. I was quite convinced, as far as I was concerned, and I had given it a good deal of attention.

By Mr. Vallance:

Q. Dr. MacTavish, how long did it take to make the report by these two gentlemen?—A. According to the file, I think they had it in pretty soon; I think this morning it was said ten days.

Mr. ERNST: The authorization went out on the 1st April, and the report came in complete and bound on the 12th.

By Mr. Vallance:

Q. In a case like this I suppose there is an original report, one copy—to whom would that first copy go? To those who authorized the investigation?—A. I would think so, but I do not know. As I recall it, it went to pretty nearly everybody, or nearly everybody got a copy.

Q. It says it is to the Commissioners, and concludes in this manner:

> This report represents a careful analysis of existing conditions. It is considered that the suggestions made in the report are warranted by the conditions found and that their adoption would be in the interest not only of efficiency, but also economy.

They took some ten days, I understand, to investigate and make this report. Now, in reply to a question by my friend on the left (Mr. Chevrier) in regard to your perusal of these reports, you say you have read all these reports?—A. Yes.

Q. And, after reading them, you decided that those things which had been pointed out to you as needing remedy, were not in existence?—A. I would not say that they were not in existence; but the suggestions, in my opinion, should not be adopted.

I might say this also, Mr. Vallance, that before taking any action as to these reports, we called before the board and asked each one who had a report to make in rebuttal, if he or she had anything to add to that, and gave each individual an opportunity to say anything that he had to say. But, even if they had said anything more, it was not necessary.

Q. Now, Doctor, is there, in the records of the Commission, any comment on this report? Is there in the records of the Commission itself any comment by any or all of the Commissioners in your files to-day?—A. I do not think so.

By Mr. Ernst:

Q. Here is the file, and I have gone through it and I am sure there is not?—A. I think there is not.

By Mr. Vallance:

Q. It seems to me, after listening to all the testimony to-day, that in the matter of determining a new policy,—and that was what you were after?—A. We wanted to get the facts.

Q. You did not deem it necessary to call together the three Commissioners, at least you do not remember you did?—A. I did not.

Q. But you and Commissioner Tremblay took it upon yourselves,—I do not say you had not the right, but it would appear to me, as one sitting here on this Committee, that in a matter of this importance at least the Chairman and the other Commissioners, the three of you, should have gone into the matter rather fully before you even suggested an investigation, and then once you had an investigation, to have gone into the report very fully, and probably arrived at the conclusion to which you arrived?—A. I do not like to say that this Committee attaches more importance to it than I did, but apparently it does. I did not attach much importance to it. I was looking after some information as to the speeding up, in regard to complaints; and I was satisfied; and that was the answer, as far as I was concerned, in a nutshell.

The CHAIRMAN: Thank you, Dr. MacTavish.

CHARLES H. BLAND, recalled.

Mr. CHEVRIER: Is there any objection now to any of the other witnesses hearing the evidence.

Mr. ERNST: Not unless you have any objection.

Mr. CHEVRIER: I have none at all.

Mr. ERNST: If we get Commissioner Tremblay on the stand, it is now a quarter past five, we cannot finish with him; and I think it is better to go on with Mr. Bland.

By Mr. Ernst:

Q. With reference to the Kemmis and Simmins report, you have heard the evidence this morning and various quotations from the file?—A. Yes.

Q. You heard the minute read of March 29, 1927 by Mr. MacTavish and Mr. Tremblay, directing that Messrs. Simmins and Kemmis be instructed to submit to the Commissioners whatever suggestions they may have with reference to possible improvements in the methods and procedure of the Commission?—A. Yes.

Q. When were you, as chief examiner, first consulted in reference to the matter?—A. I think, Mr. Ernst, the matter was discussed with me, or was brought to my attention, some days prior to that by Commissioner Tremblay.

Mr. CHEVRIER: Would it not be proper that Commissioner Tremblay should now be called in?

Mr. ERNST: Yes, I think he should be in to hear Mr. Bland's evidence.

The CHAIRMAN: The Commissioner can read this in the record in the morning.

The WITNESS: As I was saying, my recollection is that some few days before the date of this Minute—March 29—Commissioner Tremblay called Mr. Putman and myself into his office; I think Dr. MacTavish was there. I must confess I am not clear on the date, but that is my recollection. And the suggestion was made that the Commissioners had considered the desirability of having a report made by the two members of the staff mentioned. Mr. Putman and myself were told it, I think, by the Commissioners with the view of having our opinion on the matter placed before them. We asked the Commissioners what the object of the investigation was, and on being told that it was with the intention of securing from these two gentlemen ideas which might tend towards improvement in the methods of the Commission, we expressed ourselves as desirous, ourselves, of securing any improvements that could be effected, but we did not think it was desirable that these two gentlemen, or in fact any junior members of the staff, should be selected to carry out an investigation in this way.

Our arguments apparently did not meet with the agreement of the Commissioners, and after a very brief discussion along those lines the interview was closed, and that was the only intimation, or only discussion, we had with the Commissioners prior to the Minute that you have just read.

By Mr. Ernst:

Q. Do you remember at any time near the time the Minute was made whether any further discussion took place between Commissioners MacTavish and Tremblay and yourself and Mr. Putman?—A. Perhaps, this is entirely memory, and it is five years ago—

By Mr. Ernst:

I find Mr. Putman in his report, or memorandum, states in his opening paragraph:

On March 29th, Mr. Bland and the undersigned were called—

Mr. CHEVRIER: I do not like to interfere, but I think Mr. Ernst would be the first to admit that it is going some distance to put it that way. Let the witness have the use of the file to refresh his memory, but Mr. Tremblay makes a statement there—

Mr. ERNST: I will probably save time—

Mr. CHEVRIER: But the rules of evidence should not be entirely disregarded.

By the Chairman:

Q. Just a moment. Can you from your own recollection, without reference to this file, answer Mr. Ernst's question?—A. I can answer that, to my recollection, I am not positive of the exact date, but shortly before the Minute was passed the interview I have described took place.

Q. Do you remember any other interview taking place at or about that time than the one you have described?—A. I remember discussing it very briefly with Dr. MacTavish in his office, but whether just before the Minute or just after I cannot recall.

By Mr. Ernst:

Q. And what was the effect of that discussion?—A. Practically the same.

Q. Were you at any time prior to the report you made told by the Commissioners you should make a report?—A. Yes.

Q. When?—A. At the date Mr. Putman and I had been called into Mr. Tremblay's office and discussed the matter.

Q. What was said?—A. We said we would like to have our views considered by them, and we were told that even if this report was first presented we would have an opportunity of presenting our views upon it—for the Commissioners' consideration.

Q. Was it after that you made the memorandum in reply to Messrs. Kemmis and Simmins?—A. It was both after that and as a result of the instructions received from the Secretary to do so.

Q. To whom did you hand those conclusions?—A. To the Secretary, who instructed me to make them.

Q. I do not want to go over your report. Does your report in so far as it is substantive contain your considered judgment of Messrs. Kemmis and Simmins' proposals?—A. It did and it does.

Q. After that report was made did any interview take place between you and the Commissioners?—A. Yes.

Q. Commissioners Tremblay and MacTavish?—A. I think it was between the three Commissioners; the Chairman, as well as Commissioners Tremblay and MacTavish, were present at a meeting in the Board Room when, if my recollection is correct, all three, Miss Saunders, Mr. Putman and myself, were called into the Board room and the question raised as to the authorization of the reports we had presented.

Q. Tell us the whole conversation. It may be painful, but I would like you to give it fully.—A. I will gladly tell the Committee everything I know about it. I have nothing to hide. At this meeting, I think, the inference was made that the reports we had presented were not authorized. I replied that in the first place Commissioners Tremblay and MacTavish, when speaking to me about it, had said that when the Kemmis-Simmons' report was in I would have opportunity to place my views before them. In the second place the Secretary had called me to his office, handed me the report, and instructed me to make a report on it. Those were my reasons for making my report.

Q. Anything said about the contents of the report?—A. I do not think they were discussed.

Q. At that or any other time were you asked by Commissioners Tremblay, or MacTavish, or Dr. Roche, or any of them, to alter your report in any way?—I do not think that question came up at all, until the time of the Order of the House for the return of these papers.

Q. Then what was done?—A. At that time the question was raised whether or not the paragraph of my report dealing with the gentlemen who made it should be in the papers that were to be sent to the House.

Q. Who raised the question?—A. I am not certain whether both Commissioners were present or not. My recollection is it was Commissioner Tremblay.

Q. What happened?—A. I replied that at the time I made the report I carefully considered what I had said, that I had not made the statement as any charge against the officer concerned but, on account of my desire to assist the Commissioners to place a proper appraisal upon the recommendations made; that at that time I believed that the facts were true, that subsequent to that time there had been a decided improvement in the habits of the gentleman in question, and that I could not see my way clear to make any change in the original statement I had made.

Q. Dr. MacTavish in his evidence this afternoon said you told him if you had to make your report again you would not have made the statement.—A. I do not recall saying that. I think my words were what I have just given you now.

Q. That you could not alter the statement?—A. Well I want to be entirely fair to the gentleman. I said his conduct and habits had improved considerably since that time, and I think I would go as far as to say that at the present time I could not make the same statement, it would not be true, but at that time the statement was true, and I left it as it was.

Q. Did you, at any time, intimate to Dr. MacTavish that you would be willing to delete that statement, were you making the report to-day under the same conditions?—A. No, certainly not.

Q. Dr. MacTavish further states this afternoon that he spoke to you and to Mr. Foran more than once with reference to the charges or the accuracy of that paragraph in your report about making investigations. Have you any comment to make on that?—A. I have no recollection of Commissioner MacTavish speaking to me about that, but I think I should point out one fact that perhaps has not been brought to the attention of the Committee so far; the statements I made were based upon the habits of the gentleman in question previous to the time of the report. He had been with the Commission for 7 or 8 years prior to that. These events had taken place some four or five years before. After the report was made I have no recollection of Commissioner MacTavish speaking to me on that particular point.

Q. In the concluding paragraph of your report you say:—

> In conclusion I wish to say that I am heartily in accord with any possible improvements in the methods and procedure of the Commission, and that I will work enthusiastically with yourself and the Commissioners to effect them.
>
> If, however, the present suggestions of Messrs. Kemmis and Simmins, ill-informed and perversive as I consider them, are accepted as a whole, they can have one effect and one effect only, namely weakening of the administration of the Civil Service Act, with the ultimate result, if persisted in, of the loss of public confidence in the Civil Service Commission and the destruction of the merit system.

Could you enlarge on that and explain what you mean?—A. Well if this Committee, after reading the report of the first two gentlemen, cannot feel that that statement is true, I do not think I can add anything to it.

Q. As a result of the Kemmis-Simmins report where would you have been placed with relation to examinations? Would the examination results have gone through your hands?—A. I was not considering myself,—

Q. No, but I am asking that question?—A. No, I take it they would not go through my hands.

Q. They would go—?—A. From the examiner to the Commissioner.

By the Chairman:

Q. And if I may follow that up, that Commissioner according to this report would have the power to make the appointment without consulting the other two Commissioners at all.—A. I would like to say that it is a long time since I I have read that report, because I have tried to keep it out of my mind—every time I think of it I get so mad I can't talk. I do not even recall now what is in it in detail, but those were my conclusions at the time and they are my conclusions still.

By Mr. Ernst:

Q. And from the man who happened to make the reclassifications that would go direct to the Commissioner designated.—A. As I understood.

Q. And both you and Mr. Foran would be eliminated from the picture?—A. Yes, as I understood.

Q. And your sole functions would have been to maintain discipline?—A. I could not find my functions in the report.

Q. Well that was the substance of the report, as you recollect?—A. Yes.

By Mr. Chevrier:

Q. That is not the reason you made your report?—A. I made the report for the reasons given in my report.

By Mr. Ernst:

Q. And that would throw the door wide open to abuse, that was your conclusion at the time, wasn't it?—A. I do not think I can amplify, or enlarge, or clarify, what I said at the time.

Q. Now I want to ask you a question which may be embarrassing. Prior to this investigation had either Commissioner Tremblay or Commissioner MacTavish made any attempt to influence you against applying the merit system strictly on any occasion?—A. I can only answer by saying that throughout, not only with Commissioner Tremblay and Commissioner MacTavish, but throughout my experience in the Civil Service Commission I have endeavored to place before the Commissioners the full facts as I found them and in this particular case as in others, and with these particular Commissioners as with others, my recommendations naturally have not always been accepted.

Q. Well would you answer the question a little differently? Have they ever tried to induce you personally to do things which you did not regard as in the interests of the merit system?—A. They have endeavored to show me at times that I was wrong, but I did not think I was wrong so I did not change.

Q. You are still not answering the question.—A. This is as close as I can get to it.

By Mr. Chevrier:

Q. Was there no time you might have admitted you were wrong?—A. Oh, of course, many times.

By Mr. Ernst:

Q. I am asking whether prior to this Kemmis and Simmins report they tried to influence you to apply what you did not consider the merit system to your ratings?—A. On certain occasions the recommendations I have made have been questioned by the Commissioners, and they have discussed them with me, thinking I was wrong. I may have been wrong, but I did not think so, and I did not change them.

The CHAIRMAN: Right or wrong, Mr. Bland, I want to say, in justice or deference to you, whichever it may be, that I have never yet found a file in which your recommendation did not recommend the person who stood first in the order of merit. I have read over one hundred files.

By Mr. Ernst:

Q. Have they attempted to influence you to place first candidates who did not stand first in the order of merit in the ratings?—A. Oh, no, I do not want to infer that is the situation at all.

Q. At any time prior, or since?—A. No, I do not recall a case of that kind.

The CHAIRMAN: Anything else?

Mr. CHEVRIER: Not at this stage.

By Mr. MacInnis:

Q. Did Dr. MacTavish or Mr. Tremblay ever discuss with you before this Committee was appointed, that is Kemmis and Simmins, did they ever discuss with you the undue delay in making appointments?—A. Yes.

By Mr. Ernst:

Q. In your judgment are you familiar with Simmins, or perhaps he did not come under your immediate supervision?—A. No.

Q. Kemmis did?—A. Yes.

Q. At that time did you consider Kemmis a qualified person to make the investigation?—A. I did not, no.

The CHAIRMAN: I would like Mr. Kemmis to be here to-morrow. I have a few questions to ask him. And I think Mr. Ernst desires Commissioner Tremblay.

Mr. ERNST: Commissioner Tremblay and Dr. Roche.

The CHAIRMAN: I am going to direct that the reports made by Mr. Bland, Mr. Putman, *et al*, in connection with this matter be copied rather than go into the report, and copy handed to each member of the Committee.

The Committee adjourned to meet Friday, the 22nd of April at 3.30 p.m.

HOUSE OF COMMONS,

April 22, 1932.

The Select Special Committee to inquire into appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 3.30 p.m. Mr. Lawson presiding.

CHARLES H. BLAND, recalled.

By Mr. Ernst:

Q. Mr. Bland, there was a question I omitted to ask you yesterday that I would now like to ask. I do not know whether you can answer it or not, but yesterday Dr. MacTavish stated in his evidence that you did not tell him, and he felt that you ought to have told him, about the grounds you had against Mr. Kemmis and Mr. Simmins, both you and Mr. Putman, prior to the investigation being held. Have you anything to say with reference to that?—A. Why, yes. At the interview to which I referred yesterday between Commissioners Tremblay and MacTavish, and Mr. Putman and myself, that was one of the points discussed. As I said yesterday, when the Commissioners advised us that they had decided to proceed with the investigation by the two officers in question, Mr. Putman and myself intimated to the Commissioners that we felt it was inadvisable for them to proceed with the investigation, and particularly to proceed with those two particular investigators, and the reasons we gave were the reasons which I intimated in my report.

Q. Which you intimated in your report?—A. Exactly.

Q. That is, prior to the Minute ordering the investigation?—A. Yes.

Q. Prior to the Minute of March 29th, 1927, ordering the investigation?—A. Yes.

Mr. ERNST: Thank you, that is all.

Witness retired.

J. E. TREMBLAY, recalled.

The CHAIRMAN: You have already been sworn, Mr. Tremblay?

The WITNESS: Yes, sir.

By Mr. Ernst:

Q. Mr. Tremblay, do you recollect when Mr. Kemmis and Mr. Simmins were asked to make a report on the organization,—let me read the exact words:

> To submit to the Commissioners whatever suggestions they may have with reference to possible improvements in the methods and procedure of the Commission..

A. Yes, sir.

Q. How did that Minute originate from which I have read, the Minute of March 29, 1927, which was signed "J. E. T." and "N. MacT"?—A. It originated as a result of a meeting of the full Board.

Q. As a result of the meeting of the full Board?—A. As a result of a discussion at a full Board meeting.

Q. As the result of a discussion at the full Board meeting, at which who were present?—A. The Chairman, Dr. MacTavish, myself and the secretary, I expect.

Q. Did it originate on March 29, 1927?—A. That is the date.

Q. Well, you may see the Minute if you like.—A. Well, if that is the date—

Q. Dates are rather difficult to recall? I would rather you refresh your memory.—A. That is the date, March 29.

Q. And that was a meeting of the full Board?—A. Well, I don't know. That is the date that is entered in the Minutes.

Q. That is the date on which it is signed, apparently, by Dr. MacTavish and yourself?—A. Not necessarily, Mr. Ernst. That is the date it was written, but it may have been brought before us the next day.

Q. Well, but it originated, you say, at a meeting of the full Board?—A. Yes.

Q. Had you discussed it with anyone prior to the meeting of the full Board? —A. I had spoken to Dr. MacTavish about it.

Q. Anybody else?—A. I think I had spoken to Mr. Kemmis.

Q. Mr. Kemmis?—A. And Mr. Simmins.

Q. Yes. Well, who approached the other first, you or Dr. MacTavish?—A. Well, that I cannot say. Oh,—

Q. Oh,—what?—A. Are you talking about Mr. Kemmis.

Q. Oh, no, no, no. You say you discussed it with Dr. MacTavish prior to the meeting of the full Board. Who approached the other first, you or Dr. MacTavish?—A. Well, that I cannot say. We had mentioned the matter several times in the course of our work, and who mentioned it first I cannot tell you.

Q. Mr. Tremblay, what really happened was that you and Major Simmins discussed the matter first before you ever discussed it with Dr. MacTavish, didn't you?

Mr. CHEVRIER: Why not follow the rules of evidence?

Mr. ERNST: Surely it is a mixture between direct and cross-examination, Mr. Chevrier.

The CHAIRMAN: What is the objection to the question?

Mr. CHEVRIER: Why not ask the witness what happened?

The CHAIRMAN: I see no objection to the form in which the question is put.

The WITNESS: I certainly discussed it with Dr. MacTavish before I ever spoke to Major Simmins about it.

By Mr. Ernst:

Q. You discussed it with Dr. MacTavish before you ever spoke to Major Simmins about it?—A. Oh, yes. Informally, of course.

Q. Informally?—A. Yes.

Q. Now, how did you happen to chance on Major Simmins as one of those two to make that investigation?—A. Major Simmins and Mr. Kemmis were not junior officers on the staff of the Commission. I didn't know anybody—

Q. No, the record shows they were among the senior officers, but they were not the senior officers.—A. No. Well, I thought they were, but I have since found out they were not.

Q. You said they were, but they were not?—A. Yes, I thought they were.

Q. Major Simmins was third or fourth in seniority in his branch. How did you chance upon Mr. Simmins to make this report?—A. Well, he was on the staff, as I said, among the senior officers of the Organization Branch. He had just completed some important work in the Interior Department.

Q. What important work had he just completed?—A. I think just at that time he had completed the reorganization of the Lands Branch.

Q. Just at that time?—A. Well, just about that time.

Q. Could you produce that file?—A. I could.

Q. I wish you would. Just to show when he completed it.

Mr. BOWMAN: Perhaps Mr. Putman could get the information this afternoon and let us have it.

The CHAIRMAN: I may have something here that would help you.

By Mr. Ernst:

Q. And what brought Major Simmins to your attention?—A. Because he was one of the older men on the staff, and I thought he was a man of good judgment.

Q. How many men were on the staff, Mr. Tremblay?—A. There was at that time Mr. Putman and—I don't just remember the names of all.

Q. Well, you remembered Major Simmins' qualifications very well. Surely you remember your staff.—A. He has left since.

Q. Well, go on. There was one man whom you do not remember; who else?—A. Mr. Gilchrist and Mr. Medland.

Q. Go on.—A. I think that is all.

Q. Is that all?—A. In the Organization Branch.

Q. You really had seven organizers at that time, Mr. Tremblay?—A. Well, Mr. Putman, Mr. Gilchrist and some gentleman, I don't remember his name, Mr. Simmins, Mr. Medland and Mr. Cole.

Q. Yes, go on.—A. I think that is all in the Organization Branch.

Q. Is that all you remember?—A. That is all I remember. They are all there.

Q. I did not ask what was there, I am asking you this question: Did you inquire about the qualifications of Mr. Medland?—A. Well, I didn't go into the qualifications of any special one.

Q. What I want to know is how you chanced upon Mr. Simmins to make this investigation?—A. Because he appeared to me, working in the Organization Branch, one of the older men, as a man of sound judgment.

Q. A man of sound judgment?—A. In my opinion, yes.

Q. What about Mr. Medland? Was he a man of sound judgment?—A. Yes.

Q. Do you remember any particular work he has done at any time?—A. Well, he has done work in various departments.

Q. Satisfactorily or unsatisfactorily?—A. Satisfactorily.

Q. Was Mr. Cole there?—A. Yes.

Q. A satisfactory investigator?—A. Oh, yes.

By Mr. Chevrier:

Q. Before that or since?—A. Well, before; I don't know.

Q. Well, that is it.

By Mr. Bowman:

Q. It is your knowledge at the time Mr. Ernst is asking about.

By Mr. Ernst:

Q. Did you consider Mr. Cole a capable investigator?—A. Yes.

Q. Did you notice any particular work that he had done at that time?—A. I don't remember any special work that he had been doing.

Q. Or Mr. Boutin, still an employee?—A. No.

Q. Mr. Jackson?—A. No.

Q. Mr. Hawkins?—A. No.

Q. How many investigators did you have at that time? Not investigators, how many did you have in the Organization Branch?—A. I have just mentioned them. There is one whose name I forget.

Q. How many did you have altogether? You have given me four?—A. I think we had seven at that time.

Q. Seven?—A. I think so.

Q. Now, I ask you again, can you tell me why you selected Mr. Simmins in preference to the other six?—A. Because I thought he was better suited for that kind of work.

Q. Because you thought he was better suited for that kind of work?—A. Yes.

Q. On what did you base that?—A. On the little knowledge that I had of the members of the staff.

Q. Did you make any inquiry from Mr. Putman?—A. No, sir.

Q. None whatsoever?—A. No, sir.

Q. Did you make any inquiry from Dr. Roche?

By Mr. Bowman:

Q. That is prior to the appointment?—A. No.

By Mr. Ernst:

Q. No inquiry from Dr. Roche?—A. No.

Q. Why not?—A. I was trying to get information for myself.

Q. You were appointing a man who was to investigate and report upon the whole organization of your Commission?—A. No. The purpose of that investigation was merely to get—

Q. I am not asking you what it was for. I said you were appointing a man to investigate the organization of the whole Commission staff, with a view to what?—A. Merely for information.

Q. Merely for information?—A. Yes.

Q. But he was to investigate and report on the Commission staff?—A. And that report was to be used as a basis for consideration by the Commissioners and members of the staff.

Q. Exactly. And what inquiry did you make concerning the men you were appointing before they were appointed?—A. I didn't make any special inquiry at all. Major Simmins was on the staff.

Q. I still want to know how you happened to chance on this one of the seven?—A. I just chanced on him.

Q. What about Mr. Kemmis, how did you chance on him?—A. Mr. Kemmis was the same as Mr. Simmins, he was one of the senior examiners.

Q. How did you happen to select Mr. Kemmis in preference to his fellow examiners?—A. For the same reason as Mr. Simmins.

Q. What was that?—A. I just thought he was a good man for that job.

Q. You talked about it with Mr. Kemmis prior to this?—A. Nothing except just in the course of my work, looking into his reports in the usual way, and they looked to me very good.

Q. The other examiners in your department are capable examiners?—A. Certainly.

Q. As a matter of fact, Major Simmins suggested Mr. Kemmis to you, did he not?—A. No, sir.

Q. You do not think so?—A. No.

Q. Will you swear he did not?—A. Well, if he did, I do not recall. My recollection is that I picked on those two myself.

Q. Well, did not Dr. MacTavish have anything to do with the picking of them?—A. Well, I think I certainly discussed it with him.

Q. I mean, who selected the two men, you or Dr. MacTavish?—A. Both of us.

Q. You did not both say just at the same moment—well, I want Mr. Kemmis and I want Mr. Simmins?—A. I think the suggestion came from me.

Q. From you?—A. Yes.

Q. To Dr. MacTavish?—A. To Dr. MacTavish, yes.

Q. And he concurred?—A. Yes.

Q. Did you give him any reason for selecting them?—A. Except they appeared to me—

Q. I did not say except. Did you give him any reasons for selecting these two gentlemen?—A. The only reason I gave him was that in my opinion they were two good men and the best men for the job.

Q. Was Dr. Roche present when you gave those reasons?—A. I don't think so, no.

Q. Now, I give you the Minute of March 29th, 1927:

> The secretary was instructed to have Messrs. Simmins and Kemmis submit to the commissioners whatever suggestions they may have with reference to possible improvements in the methods and procedure of the Commission.

And this is signed "J. E. T." and "N. McT.". You say that Dr. Roche was present when the matter was discussed?—A. I am quite sure he was.

Q. Did you talk the matter over with Dr. Roche before the Minute was signed?—A. We had a discussion at that meeting.

Q. With Dr. Roche?—A. Yes.

Q. Before the Minute was signed?—A. Yes.

By Mr. Bowman:

Q. You are quite positive about that, Mr. Tremblay?—A. Well, that is my recollection, to the best of my recollection.

By Mr. Ernst:

Q. Did you have any discussion with Mr. Bland and Mr. Putman before the Minute was signed?—A. No, sir, not I.

Q. Did you on the date the Minute was signed have any discussion with Mr. Bland and Mr. Putman?—A. I cannot recall whether I had or not.

Q. You cannot recall?—A. No.

Q. You did not hear Mr. Bland's evidence to-day?—A. To-day, no.

Q. Well, I perhaps should give you the substance of it. You heard his evidence yesterday?—A. Yes.

Q. But his evidence to-day, which supplemented that of yesterday, in which he says that both he and Mr. Putman pointed out to you before this Minute was ever signed the objections which they had to Mr. Simmins and Mr. Kemmis, which were the same objections which were noted, or which appear in their report?—A. That is not my recollection of it.

Q. Well, did they or did they not?—A. I cannot recall that they did. I spoke to Mr. Bland and Mr. Putman, but I think it was after the Minute was signed.

Q. After the Minute was signed?—A. Yes.

Q. Before or after the investigation actually commenced?—A. Oh, I think they spoke to me before.

Q. Before the investigation commenced?—A. Yes.

Q. And at that time did they point out to you those particular reasons why those two men should not be entrusted with this task?—A. I do not think so.

Q. You do not think so?—A. No.

Q. You did not hear the evidence of Mr. Bland, but Mr. Bland says definitely to-day that they did.—A. Well, if they did, I cannot recall it. It seems to

me, the first suggestion I had about those things was when I saw them in the report.

Q. When you saw it in the report?—A. That is my recollection of it.

Q. You say Dr. Roche was present at a Board meeting before this Minute was signed?—A. Yes.

Q. Why, then, does his signature not appear to the Minute on the same date as yours?—A. Because I do not think it appears there at all. He refused to sign it.

Q. May I read to you this:

> I do not desire to be a consenting party to the procedure suggested by my colleagues. I see no good reason why when a survey of staff matters is considered necessary the invariable practice should not be followed, viz: by authorizing the responsible head or heads of branches to submit a report, and in doing so they have the privilege of consulting and conferring with any or all of the subordinate officers of the staff. This is the practice followed in the various departments of government, and the suggested departure from this procedure will, in my opinion, prove subversive of good discipline, and will unnecessarily engender ill-feeling on the staff.

That is dated two days after your Minute?—A. Yes.

Q. Can you offer any explanation of that?—A. This Minute is prepared and brought to the Commissioners for signature.

Q. The same day on which the Minute is passed?—A. Not necessarily, no.

Q. Is it dated the same day on which it is passed?—A. I do not think so.

Q. As a matter of practice?—A. I do not think so.

Q. Surely you know what the practice of your own Commission is?—A. I do not think they date it the day they write it.

Q. Do you mean to say you pass a Board Minute and then it is not dated the date you pass it?—A. It may be the Minute itself—

Q. On this particular date, there is nothing on it except March 29th, 1927, "J.E.T." and "N. MacT."—A. It may have been signed on the same day. Not necessarily. It may have been the day after.

Mr. CHEVRIER: Why do you not look at it?

The WITNESS: That will not tell me anything.

The CHAIRMAN: Mr. Bland, you are the Assistant Secretary; is there a Minute Book kept of the Minutes of Commission separate and distinct from the memoranda which appears on the files?

Mr. BLAND: Yes, Mr. Chairman.

The CHAIRMAN: I think we asked for the production of that. Would it be possible to send for that and let us have it now. Particularly, Mr. Bland, commencing with the year 1927?

By Mr. Ernst:

Q. I ask you again, can you offer any explanation for Dr. Roche's Minute being two days later than that of yours and Dr. MacTavish's?—A. No, I cannot.

Q. Were you aware, before you entered upon this scheme of appointing these two gentlemen to report upon the organization, that Dr. Roche objected?—A. Yes, he objected at the Board meeting.

Q. Did you discuss the qualifications of those particular men with him when he objected?—A. I not think so. I think at the Board meeting what happened was, on general principles, Dr. Roche objected.

Q. Objected to a junior investigating his seniors, is that it?—A. Well, perhaps you put that way, that is not my view.

Q. Well, what is your view?—A. My view is it would not have been fair to ask Mr. Bland and Mr. Putman to investigate,—

Q. I asked you what your view was of what Dr. Roche said. What did Dr. Roche say?—A. Well, I think he said practically what is on the file there.

Q. That two junior men should not investigate their seniors?—A. Yes.

Q. That he was objecting for discipline?—A. Yes.

Q. And you not agree with him?—A. No.

Q. In the light of what has happened, do you agree now or not?—A. Not on that. I am still of the same opinion.

Q. You still think it advisable to have junior officers investigate— —A. They were not investigating the staff.

Q. They were investigating the organization of the Civil Service Commission?—A. Not at all, sir.

Q. What were they doing?—A. Investigating the procedure.

Q. Procedure, which involves the organization, does it not?—A. Well, it may indirectly.

Q. It must?—A. Not necessarily.

Q. It does involve organization, does it not?—A. Yes.

Q. You still think that it is advisable to have a junior officer report upon the organization with which his senior officers are directly concerned?—A. This was not an official investigation.

Q. That was not my question. Will you please answer?—A. Well, I think so.

By Mr. Bowman:

Q. This Minute that has just been referred to and which was signed by Dr. MacTavish and yourself, this was prepared and brought to the meeting?—A. No, that is the decision arrived at at the meeting. It is prepared by the secretary and brought to the Commissioners individually to be signed.

Q. Yes, and at this particular meeting to which reference has been made, the Minute which was signed by Dr. MacTavish and yourself, was prepared at that meeting and signed?—A. After the meeting. It is prepared after the meeting and brought to the Commissioners for signatures.

Q. After the meeting?—A. Yes.

Q. That is, the meeting was held first?—A. Oh, yes, the meeting was held first.

Q. Who were present at that meeting on March 29, 1927?—A. Dr. Roche and Mr. Foran, I think.

Q. Are you sure of that?—A. Well, it might have been Mr. Bland who acted as secretary.

Q. Does your Minute not show who were present at those meetings?—A. It would show if the Commissioners were present. I do not think it would show the secretary present.

By Mr. Ernst:

Q. Well, you do still adhere to the view that the full Board was present during the discussion?—A. Yes.

By Mr. Bowman:

Q. And up to that time, the time that this Minute was signed, Dr. Roche or Mr. Putman or Mr. Bland had not been consulted in the matter of the investigation?—A. Well, I think not.

By Mr. Ernst:

Q. And you did not then, or afterwards, convey to Dr. Roche your reasons for choosing those two particular men to make this investigation?—A. Well, we may have discussed them. I may have said—

Q. Did you or did you not?—A. I cannot recall.

By Mr. Bowman:

Q. And do you remember at the time any discussion taking place as between Mr. Putman, Mr. Bland and Dr. Roche, Dr. MacTavish and yourself, with respect to the two parties that had been appointed or suggested to carry on this investigation?—A. Before the Minute was signed?

Q. No, after the Minute was signed, or before, either one or the other? I think you have already said that before, you did not have any recollection. Now, after the Minute was signed?—A. I have a recollection that—I don't know if the five of us were in or whether they came singly, whether Mr. Bland and Mr. Putman came together or whether they came singly, I do not know.

Q. Yes, and what did they say to you?—A. They made representations against the investigation.

Q. And against those two particular parties who were appointed to make the investigation?—A. Well, I do not think so.

Q. You do not think so?—A. That is not my recollection.

By Mr. Ernst:

Q. Well, you ought to remember after selecting two men to make an investigation, you ought to remember whether any representations were made against those men personally or not?—A. Not at that time.

Q. Will you swear that none were made at that time?—A. No, I will not. I cannot remember.

By Mr. Bowman:

Q. Just what were they to investigate?—A. They were simply to investigate the procedure. I thought the procedure was too complicated and that there were too long delays. I wanted to satisfy myself and see if there was not some way of shortening it and possibly effecting economies.

Q. And you went over the head of Mr. Bland, who was at the head of the Examination Branch, and Mr. Putman, who was at the head of the Organization Branch?—A. Yes.

By Mr. Ernst:

Q. Did you have any complaints about the procedure?—A. A lot about delays.

Q. Were those complaints in writing or otherwise?—A. I do not think there was anything in writing.

Q. Who made the complaints?—A. Well, they were coming from almost every department.

Q. Will you tell me any particular one which made complaints?—A. I have none in mind particularly.

Q. Can you name one person particularly who complained?—A. I had complained myself before I went to the Commission.

Q. Oh, well, you had complained, but did anyone complain to you?—A. Well, there is one man I remember.

Q. Who was that?—A. I think Mr. Edwards of the Justice department.

Q. Anybody else?—A. I cannot remember the names.

Q. Did Mr. Edwards put his complaint in writing or otherwise?—A. No.

Q. Did Mr. Edwards put his complaint in writing, or otherwise did he complain to you or to the Commission?—A. Oh, he complained to me.

Q. To you personally?—A. Yes.

Q. Can you mention any others which led you to take this extraordinary step?—A. I do not recall the names of any others.

Q. Have you any letters you can produce?—A. No, I do not think that there are.

Q. Eventually you got a report, did you not?—A. Yes.

By the Chairman:

Q. Before you go on; Dr. MacTavish in his evidence before this Committee yesterday told us that you and he had decided to have this investigation made, on the 29th March, the date of the minute that Mr. Ernst referred to, without consulting with Dr. Roche at all?—A. Well, I think he was wrong there. My recollection is that we discussed it at a board meeting where Dr. Roche and the secretary were present.

Q. Are you sure that the board meeting to which you are now referring was not a meeting held on April 1st or March 31st, two days after these instructions were given of which there is a minute?—A. Oh, that could not be.

Q. Because it was on that date I think Dr. Roche recorded his dissent? —A. He recorded it on the minute.

Q. So that you may have it clear, there is one minute, I do not know whether it purports to be a board meeting or not, but there is a memorandum on the file dated March 29th, signed by Dr. MacTavish and yourself?—A. Yes.

Q. There is a subsequent one dated March 31st in which Dr. Roche records his dissent. Are you positive that the board meeting to which you refer and which you have in mind was held on March 29th before the instructions for this report were given?—A. Yes, sir, I say March 29th; as I say it may have been the 28th.

Q. In any event before the instructions were given?—A. Yes.

By Mr. Ernst:

Q. Now, Mr. Tremblay, I went over a lot with Dr. MacTavish yesterday which I think we can omit to-day. At any rate, you got a report from Mr. Kemmis and Major Simmins?—A. Yes.

Q. And then you got a report from Mr. Putman, Mr. Bland and Miss Walker, Miss Saunders and Miss Guthrie relating to this report?—A. Yes.

Q. On May 6th, the following memorandum appears, signed by yourself and Commissioner MacTavish:—

> We have perused the several reports submitted by you conjointly. That is not the report of Mr. Kemmis and Mr. Simmins but the reports of Mr. Putman, Mr. Bland, Miss Walker, Miss Saunders and Miss Guthrie,—
>
> under your communication of the 21st ultimo, and hereby acknowledge their receipt for purposes of record.
>
> We are giving consideration to the question of what action is called for on our part by the conduct of the officials concerned and the unauthorized preparation of these documents.

What explanation would you like to give to that minute?—A. We had asked Mr. Bland and Mr. Putman to give us a report,—

Q. Had you asked them?—A. We had asked Mr. Bland and Mr. Putman.

Q. When?—A. I do not remember the date, but between the time of the report and this memorandum.

Q. Between the time of which report?—A. Of the Kemmis and Simmins report.

Q. Are you sure you had asked them?—A. Oh, yes.

Mr. CHEVRIER: He said he did.

By Mr. Ernst:

Q. Whom do you mean by "we" had asked them?—A. I think that was done through the secretary.

Q. You say we had asked them,—do you mean the board or you and Dr. MacTavish, or what?—A. Well, I think I had asked.

Q. And anybody else?—A. I do not know.

Q. You heard Mr. Bland yesterday?—A. Yes.

Q. He says that you and Dr. MacTavish both asked them?—A. Well, that is possible.

Q. "Before the minute was ever signed directing the investigation, they had asked me and Mr. Putman to comment upon the report when it was made." What have you to say as to that?—A. Well, I know very well I told Mr. Bland —when I did that, I do not know,—I told him that he would have ample opportunity to comment on the report.

Q. That is not what he said. He said that you and Dr. MacTavish both stated that the report would be handed to him and that he should comment on it, before the minute was ever signed directing the investigation?—A. I do not recall that.

Q. Did you or did you not?—A. I do not recall.

Q. You do not know?—A. I do not know.

Q. What do you say that you do recall?—A. My recollection is that when we got the report we asked Mr. Bland and Mr. Putman to give us their comments on the report.

Q. That is when you got the report?—A. Yes. I think I did tell Mr. Bland and Mr. Putman before that, though, that when the report was made they would have ample opportunity—

Q. You think you did?—A. I think I did.

Q. How did you come to sign this memorandum to the secretary on the 6th May, 1927:

> We are giving consideration to the question of what action is called for on our part by the conduct of the officials concerned—

that is Mr. Bland and Mr. Putman?—A. That did not refer to Mr. Bland and Mr. Putman.

Q. To whom did it refer?—A. To the other three.

Q. Now, let me go back and read you the letter of April 21, 1927 to the Commissioners, that is, to the whole three of you:

> I am submitting herewith reports received from three members of the staff, Mr. C. H. Bland, Assistant Secretary and Chief Examiner, Mr. C. V. Putman, Chief of the Organization Branch, and Miss E. Saunders, head of the Personal Services Branch. Attached to Mr. Bland's report are statements from Miss Walker and Miss Guthrie, two senior examiners.

You note that?—A. Yes.

Q. Those are the documents to which you refer?—A. Yes.

Q. You said:

> We have perused the several reports submitted by you.

that is the three reports from Mr. Bland, Mr. Putman and Miss Saunders, and Mr. Bland has two exhibits to his report?—A. Yes.

Q.

> We have perused the several reports submitted by you conjointly under your communication of the twenty-first ultimo, and hereby acknowledge their receipt for purposes of record.
>
> We are giving consideration to the question of what action is called for on our part by the conduct of the officials concerned and the unauthorized preparation of these documents.

Now what have you to say?—A. Well, it is merely a question of procedure. I wanted to have the views of Mr. Bland and Mr. Putman and then call in the other officials such as—

Q. I am asking you how you came to sign a minute in which you say you are giving consideration to the question of what action is called for on your part by the conduct of the officials concerned? Does that refer to Mr. Bland and Mr. Putman?—A. No, it does not refer to Mr. Bland and Mr. Putman. They were authorized,— we had asked Mr. Bland and Mr. Putman.

Q. You surely do not mean to tell me that that memorandum refers only to Miss Walker—

Mr. CHEVRIER: He has said it.

Mr. ERNST: I would like to have his explanation, but I have one at variance with his written word.

Mr. CHEVRIER: Surely the rules of evidence allow him to explain that written word.

The CHAIRMAN: Mr. Chevrier, you see in one breath you are objecting to Mr. Ernst asking him to explain it, and in the next breath you say he ought to be allowed to explain it.

Mr. CHEVRIER: He ought to be heard.

By Mr. Bowman:

Q. What explanation have you of this document?—A. That refers not to Mr. Bland and Mr. Putman but to the other reports which were submitted without being asked for.

By Mr. Ernst:

Q. In other words, you say, "We are giving consideration to the question of what action is called for on our part by the unauthorized action of Miss Saunders, Miss Walker and Miss Guthrie?"

By Mr. Bowman:

Q. It does not refer to the reports by Mr. Bland and Mr. Putman?—A. No, we wanted their reports.

By Mr. Ernst:

Q. Was it in answer to Mr. Foran's letter?—A. I think it was.

Q. The first part of Mr. Foran's letter to the Commissioners reads:—

> I am submitting herewith reports received from three members of the staff, Mr. C. H. Bland, Assistant Secretary and Chief Examiner, Mr. C. V. Putman, Chief of the Organization Branch, and Miss E. Saunders, head of the Personal Services Branch. Attached to Mr. Bland's report are two statements from Miss Walker and Miss Guthrie, two senior examiners.

Those were not reports but were exhibits to Mr. Bland's report—you note that?—A. Yes.

Q. I read the second part:—

> With the consent of the Commissioners the report recently submitted by Messrs. Simmins and Kemmis was passed to these officials for their perusal, and the reports herewith are their replies to the proposals contained in the report in question.

A. That was a misunderstanding on somebody's part.

Q. And then your answer is:—

> We are giving consideration to the question of what action is called for on our part by the conduct of the officials concerned and the unauthorized preparation of these documents.

What is your explanation of that?—A. We had asked for reports from Mr. Bland and Mr. Putman. We did not want, at this stage, any others.

Q. What do you mean by that?—A. Dr. MacTavish and I. We wanted to deal with the report in a different way.

Q. You are aware that Dr. MacTavish said you had not asked for such reports?—A. Well, we did—that was my recollection.

Mr. Chevrier: How would he be aware of that when he did not hear Dr. MacTavish's evidence?

By Mr. Ernst:

Q. Are you aware that Dr. MacTavish said that you did not ask for those reports?—A. Well, we did ask for those reports.

Q. And you say that you did not ask for the reports of the other three?—A. Yes.

Q. Of course you are aware of the effect of the report itself—the Kemmis and Simmins report?—A. Oh, yes.

Q. What was your interpretation of that report by and large?—A. There were some good points and others that I found could not be,—

Q. What was the main change in organization that they recommended?—A. Oh, they recommended a change in the handling of the files by the Commissioners. That was the main thing.

Q. Do you recollect that one Commissioner should handle all organization work?—A. Yes, I remember that.

Q. One junior commissioner—not the Chairman, one Commissioner?—A. Yes.

Q. And one Commissioner handle all examination work?—A. Yes.

Q. That is the one should be sole and supreme on examination work, and the other be sole and supreme on organization work—do you recollect that?—A. I recollect something like that.

Mr. Chevrier: Are those the terms of the report?

By Mr. Ernst:

Q. In effect.—A. I do not recollect the words, of course, but in effect that is what it was.

By Mr. Ernst:

Q. In effect—I did not ask if those were the words, but, in effect, if that was the substance?—A. Yes.

By Mr. Bowman:

Q. And the Examination Branch and the Organization Branch together take up practically all the work of the department, of your Commission?—A. Well, they are the two main divisions of it.

By Mr. Ernst:

Q. How many employees have you?—A. I think 145.

Q. Have you ever had any other check made on the organization of your Commission by any other person or persons?—A. Since that?

Q. Yes?—A. Yes.

Q. Who made it?—A. I think Mr. Putman made one.

Q. He would be familiar, of course, with the organization from his having grown up with it?—A. It may have been Mr. Gilchrist, one of the others.

Q. At whose request did he make it?—A. At our request.

Q. When was that?—A. I think in the spring of 1930.

Q. Whom do you mean by "our"?—A. The Board's request.

Q. In the spring of 1930?—A. I think so, yes.

Q. I wonder if we could have the minute relating to that—a minute of any check made on the organization in 1929 or 1930?

Mr. BLAND: Mr. Putman may have it.

Mr. PUTMAN: I will see if it is here.

By Mr. Ernst:

Q. How long did it take to make that report?—A. They made it, I think, in six or seven reports on the whole organization.

Q. Piecemeal?—A. Yes.

Q. How long a time did it take to make it?—A. Mr. Putman would be better able to answer that.

Q. Have you any recollection on the subject?—A. I think the first report we got about two months after.

Q. Did you have any discussion with Mr. Kemmis and Mr. Simmins during the progress of their investigations?—A. No.

Q. What instructions did you give them before they commenced the report? —A. I simply told them what I had in mind.

Q. What did you tell them?—A. That I thought our machinery was too complicated, and it seemed to me that there should be some way to simplify it, and I wanted them to go into it and let me have their views.

Q. And let you have their views?—A. Yes.

Q. Those are all the instructions they had?—A. That is all.

Q. Any instructions in writing?—A. Except that minute, that is all.

Q. Except the minute?—A. That is all.

Q. You did not give them the minute?—A. I think they must have had a copy of the minute to get their instructions.

Q. Did you give them a copy of the minute?—A. No, I did not.

Q. I asked you what instructions did you give them?—A. Those are all the instructions I gave them.

Q. Those are all the instructions they had?—A. Yes.

By Mr. Bowman:

Q. Mr. Tremblay, in the explanation which you have just given with respect to this minute of May 6, 1927, you stated that the word "unauthorized" referred to the three reports filed by Miss Guthrie, Miss Walker and Miss Saunders, but did not include the reports signed by Mr. Putman and Mr. Bland?—A. That is right.

Q. Might I read to you the evidence given yesterday by Dr. MacTavish, just to see whether or not your recollection bears the same as his:—

By the Chairman:

Referring to this memorandum.

Q. It includes Bland and Putman?—A. It is clear enough that it included Mr. Bland and Mr. Putman, but it had three others that I knew nothing about.

By Mr. Ernst:

Q. May I ask you again, did it include Mr. Bland and Mr. Putman? —A. Yes.

Q. It did?—A. Yes.

So that bearing in mind what Mr. MacTavish has said with respect to this memorandum, that it did refer to Mr. Bland and Mr. Putman, would that in any respect alter the evidence which you have just given on that point?—A. No.

Q. Your recollection is to the contrary?—A. Yes.

By the Chairman:

Q. Again and again, Mr. Tremblay, during the afternoon session, when I came back and asked Dr. MacTavish if he could give us any further explanation of this minute, he finally said that you and he, through a spirit of what might be called "arrogance," resented the fact that these officials had made a report which was not authorized by some minute of the Commission, had both subscribed to that memorandum. Do you still disagree with that?—A. I feel that Dr. MacTavish is mistaken; that he did not mean to include those two.

By Mr. Ernst:

Q. Never mind what he meant?—A. So far as I am concerned, it did not cover Mr. Bland and Mr. Putman. They were asked to report.

By the Chairman:

Q. I am not quarrelling with your statement, but I am just bringing before you what was said here. You say in your opinion Dr. MacTavish is mistaken, and that that is not your recollection?—A. It is not my recollection.

By Mr. MacInnis:

Q. I think Dr. MacTavish modified that later in his evidence?

Mr. Bowman: No, he did not modify it at all.

Mr. MacInnis: I am expressing a personal opinion, and I think that Dr. MacTavish modified that again and said it excluded Mr. Bland and Mr. Putman. If he said it it will be in the evidence and will be found later on.

Mr. Ernst: That was in the forenoon.

Mr. Chevrier: I do not want to challenge this statement, but I am sure it was in the latter part of the afternoon that Dr. MacTavish did qualify that and left the other two out.

Mr. Ernst: I think it is quite the reverse, Mr. Chevrier. In the morning he did do that. In fact he gave six different explanations at least as to what prompted that.

Q. Then on the 17th May, 1931, I find this minute—Oh, may I deal with the memorandum of the 6th May again, signed by you and Dr. MacTavish, in which you deal with the question of the unauthorized reports. Was Dr. Roche present when that memorandum of the board was drawn?—A. That was not a board decision.

Q. No, it was a memorandum for the secretary, signed by you and Dr. MacTavish?—A. Yes.

Q. In which I would think you were pointing to disciplinary action against some of the officials?—A. Yes, we were considering what we should do.

Q. You were indicating that you were considering disciplinary action against some officials?—A. That it was possible.

Q. Was Dr. Roche there when you decided on that?—A. I do not think so.

Q. Why did you and Dr. MacTavish come together to decide on that?—A. As Dr. Roche does not subscribe to the investigation,—

Q. I did not ask you that. How did Dr. MacTavish and you come together to consider that?—A. As Dr. Roche did not subscribe to the investigation,—

Q. I was asking you how you and Dr. MacTavish got together without Dr. Roche to consider this?—A. Because Dr. Roche was not a party to this at all.

Q. Can you give any explanation why he was not, and why you and Dr. MacTavish were handing down a memorandum of a decision without Dr. Roche at all?—A. Because it was a matter in which he dissented in the first place, and these reports were addressed to us,—

Q. No, now, Mr. Tremblay, Mr. Foran's letter is addressed to the Commissioners. He is one of the Commissioners, is he not?—A. Yes.

Q. Then the reply is signed by Dr. MacTavish and yourself only?—A. Yes.

Q. Why?—A. My explanation is simply because Dr. Roche had dissented, in the first place; the reports came to us, and we replied, naturally.

Q. Do you mean that a letter addressed to the Commissioners would not reach Dr. Roche in the ordinary course as well as you and Dr. MacTavish?—A. It should certainly.

Q. Then why is the reply signed only by you and Dr. MacTavish?—A. I can offer no further explanation. Possibly Dr. Roche can.

Q. Did you intimate to him that you were considering disciplinary action against these officials?—A. I do not think so.

By Mr. Bowman:

Q. Is that the usual practice of the Commission, that two Commissioners will decide to discipline somebody in the staff without conferring with the third Commissioner?—A. We did not decide upon it. We simply said we were considering what action to take.

Q. You two were going to decide?—A. Well,—

By Mr. Chevrier:

Q. Did you take any action?—A. No.

Mr. Ernst: No, of course they did not. And why not? We will leave that to argument. We must leave something to the imagination.

By Mr. Ernst:

Q. I find on the 17th May, a further board decision, which reads as follows:

Civil Service Commission

Board Decision: *Procedure.*

It was decided that in addition to the reports already received from certain members of the staff in reply to the report on methods and procedure submitted by Messrs. Simmins and Kemmis, the Secretary and Messrs. Baril, Bourbonnais, Gilchrist, Brown and Thivierge should be asked to submit their views with regard to that part of the report of the two investigators which relates to their particular work or branch.

(Sgd.) N. MacT. and J. E. T.

Is that at a full meeting of the board?—A. Is that marked as a board decision?

Q. Yes?—A. Then it was at a full meeting of the board.

Q. Was Dr. Roche present?—A. Yes, he must have been.

Q. Is it the custom of the Commission to have such things signed only by two members of the Commission?—A. If one dissents who does not sign, it is generally marked in the Minute, "So and So dissenting."

Q. This is supposed to be a copy of the Minute, and nothing indicating one way or the other is shown. Can you offer any explanation of that?—A. No, I cannot.

Q. Is it not a fact that you and Dr. MacTavish were going along with this in your own way without consulting Dr. Roche?—A. No, it was not. If it was a board decision, the three Commissioners were there.

Q. Are you sure Dr. Roche was there?—A. Yes.

By Mr. Bowman:

Q. Does it necessarily follow, because it is a board decision, that the three persons were there?—A. Generally speaking, yes.

Q. Does it follow because there are on the memorandum the words "board decision", on the printed form,—does it necessarily follow that the three members were there?—A. No, not necessarily.

Q. Then is there anything in your mind which can recall the fact that Dr. Roche was present at that meeting?—A. Nothing special; but my recollection is that he was.

By Mr. Ernst:

Q. That he was there?—A. Yes.

Q. And that he dissented?—A. Yes.

The CHAIRMAN: This is May 17, 1931, you are speaking of?

Mr. ERNST: Yes, Mr. Chairman.

Q. Then you obtained reports from the persons named, Thivierge, Brown, Gilchrist, Bourbonnais and Baril?—A. Yes.

Q. All excepting Mr. Thivierge, who obtained a promotion afterwards, were against it?—A. I beg your pardon, Mr. Thivierge did not get a promotion out of that.

Q. If the report had been adopted, Mr. Thivierge would have received a promotion and Miss Saunders would have been dispensed with. He was assistant to Miss Saunders, was he not?—A. No.

Q. He was assistant to whom?—A. He was not assistant to anyone. He was in the same position then as he is now, chief of the Assignment Branch.

Q. At any rate it would have meant a promotion to him and he would have obtained a better position under the report?—A. I do not recall anything of that.

Q. It is a fact on reading the report that he would. Apart from Mr. Thivierge, nobody acquiesced in the report?—A. Well, I cannot say from memory, but it seems to me that they did not acquiesce in the whole thing, but some parts they said could be adopted.

Q. Very, very little?—A. Some, anyway, according to my recollection.

Q. Can you tell me any, from your recollection?

Mr. CHEVRIER: That is a better question.

The WITNESS: No, I cannot.

By Mr. Ernst:

Q. Can you tell me any?—A. No, I cannot tell from memory any parts of the report that any of them thought should be adopted.

Q. What ultimately happened to the report?—A. Nothing was done at the time, but since then some of the suggestions—

Q. Did you ever hold a board meeting to consider that?—A. I think we did.

Q. That is to consider it, after you got all the opinions in?—A. Yes.

Q. And do you remember what discussions took place at that board meeting?—A. No, I do not know; I do not remember.

Q. Do you remember if you decided as a board that it would be unworkable?—A. No, we did not. I never considered it as a whole myself.

Q. I asked you if you held a board meeting with respect to it after you got the report and all the views contained in that file,—did you hold a board meeting to consider the whole project?—A. I do not recall that.

Q. You embarked upon a project and designated two men to put forward proposals, and then you asked nearly all of your staff for replies to those proposals. Did you consider them after you got them?—A. We did, yes.

Q. As a board?—A. I do not know. A copy was sent to each of the Commissioners.

Q. But did you consider them as a board?—A. I do not think we did.

Q. What happened to them?—A. This was not intended to be a report—

Q. I merely asked what happened to it?—A. Nothing happened, except that in the course of time some of the suggestions which were made there were adopted.

Q. Some of the suggestions?—A. Yes.

Q. How many, do you recollect?—A. I cannot tell you off-hand, but I can tell you, if you wish—have that information for you.

Q. You recollect when a motion for return was placed on the order paper of the House of Commons in reference to this matter?—A. Yes; I think it was last June.

Q. By Mr. Garland, of Bow River?—A. Yes, I remember that now.

Q. To the papers which were passed as final from the Commission, I find the following; let me read you the order paper for to-day, Mr. Tremblay: "There appears on the order paper for to-day notice of motion by Mr. Garland (*Bow River*), on Wednesday next, Order of the House as follows:"—I ask you to listen carefully,—"for a copy of all documents, minutes of the board, reports, memoranda, letters and telegrams, relating to the investigation that took place in the Civil Service Commission in the year 1927, which was understood to be instituted by the direction of Commissioners Tremblay and MacTavish, and by which two junior clerks, Messrs. Kemmis and Simmons were authorized to carry on an investigation into the administration of the Commission by Mr. Roche and other executive heads."—A. Yes.

Q. Let me read this, under date of April 14, 1931— —A. I did not agree, of course, to the purpose—

Q. I beg your pardon?—A. I did not agree to the purpose of the investigation as stated in the Order.

Q. I just asked you if you recollected that particular Order which was passed as an Order for Return, by the House of Commons.—A. I see.

Q. That was on April 14th. Now let me read to you the memoranda—may I ask you first if these are your initials (passing documents to witness).—A. Those are my initials.

Q. "It seems to me that the proper answer to the question as worded is that 'no investigation into the administration of the Commission by Dr. Roche and other executive heads was ever carried on, or even suggested'."—A. Right; that is right.

Q. That is still your opinion?—A. Certainly; it was never the purpose of the investigation at all.

Q. "If Mr. Garland has in mind the investigation which Commissioners MacTavish and Tremblay authorized Messrs. A. C. Kemmis, senior examiner,—" —A. Yes.

Q. "—and Major Simmins, senior investigator,"—these designations are incorrect, are they not?—A. No, they are correct.

Q. It should be Mr. A. C. Kemmis, a senior examiner, and Major Simmins, a senior investigator?—A. His classification is "senior."

Q. He is a member of the staff?—A. Yes.

Q. And Major Simmins is also a member of the staff, or was.—A. Was, yes.

Q. So, it would be more correct to describe the officials concerned— —A. Yes, if you take it to mean the senior.

Q. Yes.—A. For us, it is merely the definition of a class.

Q. "—to carry on upon the possible improvements in the methods and procedure of the Commission, with a view to ascertain what steps if any could be taken to simplify our procedure, and thereby avoid delays which were the subject of complaints, Mr. Garland should amend his question accordingly. In that event, I presume all documents should be supplied."—A. Yes.

Q. "It is unfortunate that a couple of these documents contain personal observations which should not have been included in an official document. These remarks were made evidently under a complete misapprehension of the situation. However, I suppose they would have to be included unless Messrs. Bland and Putman are willing to withdraw them."—A. Surely that is correct.

Q. I asked you first if you were aware of the terms of the Order.—A. Yes.

Q. "All documents?"—A. Yes.

Q. Do you consider that you have any right to arrange with Messrs. Bland and Putman to withdraw remarks that appear upon the final file, after the House has passed an Order?—A. I felt those remarks—

Q. I did not ask you that.

Mr. CHEVRIER: Why not let the witness answer?

Mr. ERNST: I want an answer to the question, not a generalization.

Mr. CHEVRIER: Let him answer.

Mr. ERNST: If you are not satisfied, you may ask him anything you like, and tell him what to say. Go ahead.

The WITNESS: I said, under the circumstances, I was justified in suggesting that.

Q. What justification have you?—A. I felt those remarks had been included there under a complete misapprehension.

Q. Misapprehension?—A. Absolutely.

Q. Did you investigate those remarks?—A. No.

Q. The truth or accuracy of them?—A. No.

Q. Why do you say they were included under a misapprehension?—A. Because the purpose of the report was never understood.

Q. The purpose of the report does not matter. Did you, or did you not, check the accuracy of those remarks of Messrs. Bland and Putman at any time? —A. I did not check them, no.

Q. Did you know or did you not know when that minute was signed whether they were true or untrue?—A. No, I did not.

Q. What right have you to go and ask those gentlemen to withdraw them, so as to eliminate them from the House of Commons return?—A. Because I did not feel it was the place to make those remarks, in a document of that kind.

Q. Is not that a question for the man who makes the report, Mr. Bland or Mr. Putman?—A. Exactly; I put it up to him.

Q. A report had been made?—A. Yes.

Q. And was even filed with the Commission?—A. Yes.

Q. Then, on what basis do you assume to go and try to alter a report in conjunction with some person or persons?—A. I did not try to alter it at all; I merely suggested it to Mr. Bland and Mr. Putman.

Q. You did suggest?—A. In the memo. there, I did, no doubt.

Q. You did suggest?—A. It is there.

Q. Did you suggest?—A. No, just said, "unless they are willing."

Q. Did you ever suggest to them they should withdraw?—A. No.

Q. You never did?—A. No.

Q. You heard Mr. Bland's evidence yesterday afternoon?—A. I heard him.

Q. You heard him definitely say you came and asked him to withdraw?—A. I did not ask him to withdraw.

Q. I asked you if you heard that?—A. I heard that.

Mr. MACINNIS: He was not here.

Mr. ERNST: He was here.

By Mr. Ernst:

Q. You heard Mr. Bland yesterday afternoon? You were sitting directly behind him when he made the charge, and said that you came and asked him at

that time to withdraw those remarks, if you would agree to their deletion from the report?—A. I suggested in the memorandum.

Q. No; that is not the point. I asked if you heard Mr. Bland say you went to him and asked him to delete it.—A. I heard him say that.

Q. Is that correct or incorrect?—A. To the best of my knowledge, no.

Q. You did not do that?—A. No. I did what is there; that is all.

Q. Which is in the memorandum?—A. Yes.

Q. I ask you again on what basis you assume to go to anyone and ask him to retract a part of his report when the House of Commons has ordered its production?—A. Well, as I said, I thought that part of it had no bearing on the case at all; that it was no place for those remarks.

Q. Were not those remarks a question for Mr. Bland?—A. It was more or less to protect him.

Q. Was not that a question for Mr. Bland?—A. I put it up to him.

Q. Did you put it all up to him?—A. In that memo, I did.

Q. In that memo?—A. Yes.

Q. I am asking you on what authority you go to a man and ask him to alter or mutilate a report, after an Order of the House of Commons had been passed directing its production?—A. Well, I did not order him to do it.

Q. I did not ask you that. I asked you on what authority, what assumed authority, you tried to mutilate a report after its production was ordered.—A. I did not try to mutilate it.

Q. You tried to induce Mr. Bland to delete that paragraph?—A. Just merely suggested it to him; I thought—

Q. Suggested?—A. I thought I had a perfect right.

Q. What authority did you assume or right did you arrogate to yourself to suggest mutilation of a report after its presentation.

Mr. CHEVRIER: Mutilation is not the proper word.

Mr. ERNST: Mutilation is the proper word.

The WITNESS: I put it up to them; I do not know on what authority—no special authority.

By Mr. Ernst:

Q. Then, practically speaking, you use your judgment as to what you would bring to the House, and what you would not?—A. No.

By Mr. Bowman:

Q. Only if you thought it was necessary?—A. I thought it was unfair to the men. Those statements had been made under a misapprehension. If they were true or untrue, they should not be made in a report of that kind.

By Mr. Ernst:

Q. Under what misapprehension have they been made?—A. Because the purpose of the report was misunderstood all through.

Q. I asked you whether you knew if the remarks were true or untrue?—A. I did not know.

Q. You did not know?—A. I did not know.

Q. Why do you say they were made under a misapprehension?—A. Because I did not think they should be made in such a report at all.

Q. I think that is a question of opinion?—A. I could not see what bearing they had on the thing at all.

Q. That is a question of opinion, Mr. Tremblay.—A. Exactly.

Q. But you say it was made under a misapprehension? I ask you again. did you ever check the accuracy of the report?—A. I felt it was made under a misapprehension.

Q. Did you ever check their accuracy?—A. No.

Q. Did you know, or do you know, they were true or untrue?—A. No; I do not know yet.

Q. Whether they are true or untrue?—A. No.

By Mr. Bowman:

Q. Why did you make that statement, then, if you did not know, or do not know now. Why did you make this written statement that they were made under a complete misapprehension?—A. Misapprehension of the purpose of the report.

Mr. ERNST: No.

Mr. BOWMAN: No.

The WITNESS: That is what I meant.

By Mr. Chevrier:

Q. What do you mean by "misapprehension"?—A. I felt the officials concerned had a complete misunderstanding of the motives which prompted the Commissioners in holding the investigation.

By Mr. Ernst:

Q. What has that to do with misapprehension of those particular statements. You were going to produce the whole report, which I assume would be the report of Messrs. Simmins and Kemmis.—A. Everything, yes.

Q. You have memoranda from Mr. Bland in reply to that whole report?—A. Yes.

Q. I ask you again, when you studied that memorandum of Mr. Bland, there was a paragraph in it which was made under misapprehension, one particular paragraph, which deals with the whole report.—A. I have told you what I thought at the time.

Q. Can you give the Committee any reason, or any explanation, why you would attempt to suggest either to anybody else or yourself to tamper with documents ordered by the House of Commons?—A. As far as I am concerned, that report was not intended as a public document; it was merely for the information of the Commissioners.

Q. It makes no difference; I am asking you after the House of Commons ordered its production. I am asking you on what grounds you could justify an attempt to tamper with it.—A. I did not try to tamper with it at all.

Q. You suggested.—A. I suggested if they wanted to have it out, they could leave it out, or find some way of withdrawing it.

Q. You suggested they withdraw it?—A. Yes.

Q. You suggested that they withdraw it?—A. Well, I said, unless they were willing to withdraw that,—

Q. I asked you if you heard Mr. Bland's evidence yesterday in which he said positively that you asked him to withdraw it.—A. I stick to my story; I have no recollection of that.

By Mr. Chevrier:

Q. If these two derogatory statements had not been in this report, would you have submitted the whole document?—A. Certainly.

Q. That is the gist of the matter.

By Mr. Bowman:

Q. In other words, if the parts you wanted to go to the House were satisfactory, you would send them in, if they were not, you would not.—A. Well, the whole is not satisfactory.

By Mr. Chevrier:

Q. In what way is the statement objectionable?—A. Because they had—

Q. Did it refer to any Civil Service Commission organization or refer to anything that was purely and simply. . . —A. Personal.

Q. A personal reference so far as those two men are concerned—A. Personal in regard to those two men.

By Mr. Ernst:

Q. Is it not that there were certain matters in it which you felt should not be. . .—A. Yes.

Q. . . . published, and that is why the report should not be delivered?—A. Yes.

By Mr. Bowman:

Q. One of the very essences of the report. . .—A. Yes. The reports had not been acted upon.

Q. I did not ask you if the reports were acted upon, I am simply saying this, one of the essences of the report struck at the very root, struck at the people who made the report.

Mr. CHEVRIER: Let him say so.

By Mr. Ernst:

Q. Is that right?—A. No, because they are personal. They were mentioned in the report. It had nothing to do with the experience in the Commission or the officials who would finally decide, or the final decision.

Q. Had nothing to do with their official capacity?—A. No, their official knowledge and their ability to make a report of that kind.

Q. It did not?—A. Not on organization.

Q. I do not like to have to read those things again. Why did not you inquire into the particular qualifications of these men before you ever designated them to make a report?—A. These men were selected as one of the seniors in each branch; they had been there a long time.

Q. How long?—A. I think they both came in 1920.

Q. Yes?—A. If I am not mistaken.

By Mr. Chevrier:

Q. Did I get your evidence right a moment ago, when you said you did not know these people had been guilty of that, if they were guilty?—A. I did not know anything about it.

By Mr. Ernst:

Q. You did not hear Mr. Bland's evidence this afternoon?—A. No.

Q. He said prior to the minute of March 29th, that he and Mr. Putman told you of these particular things in regard to both these gentlemen.—A. I am almost positive that he did not.

Q. Are you not really positive?—A. No; my recollection is that they did not. It was after.

Q. I am asking you—you were making the appointments, you were making the selection, why did you not inquire?—A. Because I had no reason. The two men, I believe, had been there for a number of years. I had not heard in the nine months or ten months I had been there, I had no complaints about them from anybody. Their work was satisfactory, and I did not know anything about them personally, any more than I knew about other members of the staff.

Q. You say the report only had to do with their personal habits, nothing to do with their work?—A. Well—

Q. I mean, the references in the report of Mr. Bland and Mr. Putman.—A. No, something else, too, I think, about one of them.

Q. I beg your pardon?—A. I think there was something against one.

Q. In their official capacities?—A. Yes. I think so.

Q. I am afraid there was.—A. I think so.

By Mr. Bowman:

Q. Why should not that go in?—A. It has gone in, as a matter of fact.

Q. It has, yes, but you were asking it to be withdrawn?—A. I merely suggested it. Well, I did not ask anything that had anything to do with official ability and capacity.

Q. And the only request that was made, Mr. Tremblay, I again say, was made in the form that has just been read by Mr. Ernst.—A. In the memorandum.

Q. "However, I suppose they would have to be included unless Messrs. Bland and Putman are willing to withdraw them?"—A. Yes.

Q. That is the only request that you made to Mr. Bland and Mr. Putman?—A. Yes.

Q. And had Mr. Bland and Mr. Putman been satisfied to withdraw them, you would have accepted the withdrawal?—A. I would.

Q. And then made the return to the House with the parts that had been withdrawn not showing in the report?—A. Well—

Mr. VALLANCE: He asked the question.

The WITNESS: I felt it had nothing to do at all with this thing.

By Mr. Bowman:

Q. Just answer the question I asked you. Would you then have—having accepted the withdrawal by Mr. Bland and Mr. Putman, if they were willing to do so—you then would have presented to the House as an answer to the return, a report minus the parts to which you referred.—A. Well, I would not say that, no, I do not think I would.

By Mr. Vallance:

Q. Let me ask you a question. Is it customary for the Commission when asked by the House for a report to go to those who have prepared the report to ask them or permit them to revise their report? Is that customary?—A. Well, no.

Q. You did that that time, did you not? You tried to do it that time, or at least you suggested certain things be deleted for the reasons that you thought, not because of their ability to act as investigators, but because of something personal?—A. Something personal.

By Mr. Bowman:

Q. You say, Mr. Tremblay, that this was the only time and the only form in which those requests for withdrawal had been made?—A. To the best of my knowledge, yes.

Q. And consequently this report was lying on this file for four years, from March 1927 to April 1931, until the House of Commons asked for a return. Then, you asked for a withdrawal?—A. Yes.

By Mr. Ernst:

Q. You not only asked that these words be withdrawn, you asked for the deletion of the whole paragraph which contained these words, respecting one of the gentlemen, "whose removal as examiner from one of his departments was twice requested by the Deputy Minister of that department and whose suspen-

sion was at one time under consideration by the Civil Service Commissioners." —A. I did not suggest that. I did not have that report when I wrote that memorandum.

Q. You were aware?—A. What I had in mind was merely personal references.

Q. That is part of the sentence. I do not want to read the whole sentence again. You are familiar with it; you have read it yourself. Do you want to read it?—A. Yes.

Q. Part of the sentence or part of the paragraph of which you asked deletion?

Mr. CHEVRIER: Might I suggest that he mark there,—

Mr. ERNST: Let him answer.

Mr. CHEVRIER: —the portion he does not agree with.

Mr. ERNST: I do not think you should suggest anything. You can ask the question. You are not suggesting to me, you are suggesting to him.

Mr. CHEVRIER: I am not suggesting to him.

Mr. ERNST: You are suggesting to me, so he will hear. Put it that way.

The CHAIRMAN: I think, gentlemen, you are getting very strong in use of terms, and unnecessarily so. I can only say, if we have never attempted, in our practice as counsel, suggesting to witnesses, we have never been very successful counsel. All lawyers know it is a common practice that all lawyers use.

Mr. MACINNIS: That may be a good reason to exclude lawyers from this Committee.

The CHAIRMAN: It may have been, but the House of Commons did not think so.

Mr. MACINNIS: Perhaps unfortunately so.

By Mr. Ernst:

Q. What was the paragraph you wanted deleted?—A. What I had in mind was really three lines.

Q. You only wanted three lines deleted?—A. That is all.

Q. You did not say that?—A. No, I did not know what it was; I did not have the report before me at the time. All I had in mind was simply—

Q. You surely had the report when you signed the minute? The minute which appears here as being intialled by Dr. Roche and Dr. MacTavish respecting documents which ought to be brought down?—A. Well, if I had it, I did not look at it.

By Mr. Bowman:

Q. Surely to goodness, you did not ask for the revocation of certain clauses without knowing what you are asking for?—A. I knew from memory there was some reference in there that I did not think should be there at all.

By Mr. Ernst:

Q. Were you aware of Dr. Roche's notation to the memorandum to this effect, "I think it is now too late to take such action as it would not look right after the papers have been moved for."—A. That was long after.

Q. That was long after the memorandum?—A. Yes.

Q. Were you aware of that?—A. I think it was, I think it must have been.

Q. Let me read you the clause, or paragraph that you wrote: "The result of their inclusion can only be detrimental to the Commission and would certainly not place their authors in a more pleasant situation than the two officials who are the subject of their observations. It certainly would be a source of unpleasant criticism, which, if possible, should be avoided at the present time."—A. Yes.

Q. What do you mean by that?—A. Merely a reflection on two officials, and I could not see it would help.

Q. What unhappy reflection could it have on the two officials concerned, if these observations were true?—A. Well, I do not know if they are true or if they are not.

Q. You tell me you do not know if they are true, so that as far as we are concerned, we assume they are true until they are proved otherwise, if you do not know. I am asking you, what unhappy effect it could have on Mr. Bland and Mr. Putman. What reflection it would have on Mr. Bland and Mr. Putman to make those observations, if true?—A. Because I felt it was not the place to make those observations of that kind.

Q. What reflection would it be on Mr. Bland and Mr. Putman if they are true?—A. Well, if they are true, they should have reported their knowledge to the Commissioners.

Q. Which they swore they did, and which you do not deny.—A. They did in writing.

Q. No; they swore they did it not only in writing, but before you ever appointed these gentlemen to make investigations.—A. Well, I must have had this in mind; they should have taken some action, or made some recommendation.

Q. Did you look at the personal files of these gentlemen?—A. No, I did not.

Q. So you do not know whether they made any intimation to the Commission as such, do you?—A. No.

Q. Mr. Bland to-day has sworn definitely that he told you and Dr. MacTavish before these gentlemen were appointed exactly what appeared in the report.—A. I have no recollection of that until after.

Q. Until after?—A. Yes.

Q. Did he or did he not, before?—A. To the best of my knowledge, no.

Q. To the best of your knowledge, no?—A. My recollection.

Q. Did you not consider it was your duty, as the gentlemen who were appointing investigators called Mr. Kemmis and Mr. Simmins to inquire into their standing, before you appointed them?—A. Their standing was established; they were there as senior officers.

Q. I did not ask you in what capacity they were there. I asked you did you not consider it was your duty to inquire?—A. No, I did not.

Q. You did not?—A. No.

Q. Now, let me go a step farther. "It would certainly be a source of unpleasant criticism." Criticism of whom?—A. Do I not say whom there?

Q. No. I will read it. "Which, if possible, should be avoided at the present time." I will read you the whole thing. "The result of their inclusion can only be detrimental to the Commission and would certainly not place their authors in a more pleasant situation than the two officials who are subject of their observations".—A. Yes.

Q. "It certainly would be a source of unpleasant criticism, which, if possible, should be avoided at the present time." Criticism of whom?—A. Criticism of those men, as well as Mr. Bland and Mr. Putman.

Q. And of yourself?—A. No, not of myself.

Q. Why should you worry about criticism about Mr. Bland and Mr. Putman?—A. Well, I do not see—that is what I said.

Q. Unpleasant criticism of whom?—A. Mr. Kemmis, Mr. Simmins, Mr. Bland and Mr. Putman.

Q. What unpleasant criticism could there be of Mr. Bland and Mr. Putman?—A. Because, as I say, in my opinion, it was not a place to put in those remarks.

Q. Assuming the remarks were true, what unpleasant criticism would there be of Mr. Bland and Mr. Putman for bringing this to the Commission?—A. It is a matter of opinion, of course.

Q. I am asking you what you suggest as unpleasant criticism. Can you suggest?—A. Simply it was no place to make those remarks.

By Mr. Bowman:

Q. Do you not think Mr. Putman and Mr. Bland knowing those facts, would have been derelict in their duty, had they not brought them before the Commission?—A. Yes.

By Mr. Ernst:

Q. What unpleasant criticism could there be?—A. But it should not be brought to the attention of the Commission in a report of this kind.

By Mr. Bowman:

Q. Privately?—A. No.

Q. How?—A. A report,—on a report, separate report.

Q. A sort of private report?—A. Not a private report, necessarily, but something that would go on the man's file.

By Mr. Ernst:

Q. On the man's file?—A. Yes.

By Mr. Bowman:

Q. But not in the office of the Commission, not as a public document?—A. Oh, yes, it will be public; it is public, on the man's file; it would not be in a document of this kind.

Q. It would be produced just the same, if the Order was called— A. If specially called for.

Q. If specially called for?—A. Yes.

By Mr. Ernst:

Q. One of the motivating factors to their report——A. I beg your pardon?

Q. It was one of the motivating factors in their particular report. It would not be produced unless specially asked for?—A. No; I mean it would be produced, only if the man's file was asked for.

Q. If the man's personal file was asked for?—A. Yes.

By Mr. Bowman:

Q. Do you mean to say that you would have accepted a report from Mr. Putman or Mr. Bland detrimental to these two examiners filed with the Board officially and then you would have taken it and read it into the personal file and not produced it on an Order of he House?—A. No, I do not say that. It would be produced if the personal file was asked for.

Q. Yes. It would be produced if the personal file was asked for?—A. Yes.

By Mr. Ernst:

Q. What do you mean by this, "Coming so soon after the disclosures in the Bouchard case would not help matters." Would not help matters for whom? —A. It was criticism—a private quarrel—you can put it that way, between two officials.

Q. It was no private quarrel?—A. That is the way I looked at it.

Q. That is an objectionable term. You told me you did not inquire into the accuracy of the statement?—A. No. I did not know anything about it.

Q. Why use the term " private quarrel"?—A. To bring that in this particular report.

Q. Was it right for you to say a private quarrel?—A. I will withdraw that.

Q. Now, what do you mean by the words, "coming so soon after the disclosures in the Bouchard case would not help matters"?—A. Well, it was that unfortunate affair.

Q. Would not help matters for whom? We all know of the unfortunate Bouchard case. It "would not help matters for whom?"—A. For the Commission generally.

Q. In other words, you are trying to protect your own skin?—A. To protect the Commission.

Mr. CHEVRIER: Is "skin" a nice word to use?

The WITNESS: I was trying to protect the Commission.

Mr. CHEVRIER: That is better.

Mr. ERNST: It is the same thing.

Mr. CHEVRIER: It is better language.

By Mr. Ernst:

Q. "It may be found strange that if these remarks truly represent the opinion of their authors, the Commissioners should have been left in ignorance of it until they were assigned the particular task in question which it was not in their power to refuse to carry on?"—A. Yes.

Q. Now, in view of that statement, that brings back to you when you first knew of this allegation: "It may be found strange that if these remarks truly represent the opinion of their authors the Commissioners should have been left in ignorance of it until they were assigned the particular task in question which it was not in their power to refuse to carry on"?—A. Yes.

Q. That brings back to you when you first became aware of the allegations against these particular gentlemen?—A. Well, as I say, I had only heard of them when I saw them in the report of, I think, Mr. Bland and Mr. Putman, after the Minute was signed—after they had been assigned to that job.

Q. No?—A. After the Minute was signed.

Q. Was it before or after they actually undertook the investigation?—A. I cannot say that. I think the investigation was undertaken almost immediately.

Q. When these things were brought to your attention by Mr. Bland and Mr. Putman, after they were assigned or had not started their task, did you take any action?—A. No, I did not.

Q. Did you consider changing the personnel of your investigating or reporting— —A. No, I did not.

Q. Why not?—A. I did not see any reason for it. I wanted information.

Q. Do you think these were commendations or condemnations?—A. Well, they were condemnations.

Q. They were condemnations?—A. Yes.

Q. But they did not influence you in the slightest?—A. No, because I wanted to get their views.

Q. If you wanted to check up on the organization of your Commission why not, if you cannot accept the senior heads, Mr. Bland and Mr. Putman—why not go outside—why take its junior officers?—A. Where would we go?

Q. Why not go to the Governor in Council, and see if you cannot get someone?—A. I did not think the matter was of that importance—simply to check up on our procedure, to see if we cannot eliminate certain steps where a file goes to one desk, and bring it to another instead.

Q. As a matter of fact, when these two men brought in their report they exceeded their instructions?—A. Well, I do not remember exactly the terms. What they suggested was with a view to eliminating certain delays—I do not know. That was not what we had in mind at all. What we had in mind was merely a question of procedure—to see if we could not shorten up some of the delays which even to-day are still being complained of.

Mr. CHEVRIER: Before you leave that aspect, would you mind giving me the dates on which those remarks were made, the date and the year, Mr. Ernst; the ones you have just read to the witness? I see that they are dated April 14, 1931.

Mr. BOWMAN: With respect to that date, I am not sure that that expresses the date of the instrument; it expresses the time that the memorandum was signed by the parties. It is not dated the 14th of April.

Mr. ERNST: No, it is some time subsequent to April 14. Dr. MacTavish's obviously preceded it.

Mr. CHEVRIER: It is in the year 1931.

Mr. ERNST: Some time in April.

Mr. CHEVRIER: It is just for the records. Did I get it that Mr. Bland's report and Mr. Putman's report are dated April 19, 1927?

Mr. ERNST: April 19, 1927, correct. When we get the Kemmis report—

Mr. CHEVRIER: I can take it that these remarks were made four years after.

Mr. ERNST: Yes. Four years after.

The CHAIRMAN: For the information of the Committee, the production of the minutes of the Civil Service Commission discloses the following: In the record of minutes of Tuesday, March 29, 1927, under the heading of "Board proceedings," there appears the following, "Commissioners MacTavish and Tremblay instructed the secretary to have Messrs. Simmins and Kemmis submit to the Commissioners whatever suggestions they may have with reference to possible improvements in the methods and procedure of the Commission." According to the heading of the minutes of that date it says, "Present: Commissioners Roche, MacTavish and Tremblay." I think for the information of the Committee I should say that I am informed that these minutes are really not a record of what takes place at a convened meeting of the Board.

The WITNESS: That is what I was earlier trying to say.

The CHAIRMAN: But merely a record of what may be done by any one or more members of the Commission during that one particular day.

Mr. ERNST: What about May 6, 1931?

The CHAIRMAN: Yes. I then looked up the minutes of Thursday, March 31, the date of Dr. Roche's memorandum of dissent, and there is no reference whatever in the minutes to the matter. I have looked up the minutes of May 6, 1931, and I find no reference whatever therein to the memorandum or any consideration of it which was signed on that date by Commissioner MacTavish or Commissioner Tremblay. I am also informed that where it appears at the head of any day's minutes "Commissioners present," if one name is omitted, that means that Commission was not in Ottawa and functioning that day; and on May 6, as the record of minutes shows that the Commissioners present were Messrs. Roche and Tremblay, it would appear that Commissioner MacTavish was not in Ottawa that day. Then I have looked up the minutes of Tuesday, May 17, and there are on this file no minutes whatever for that date. There is a minute of Monday, May 16, 1927, nothing on Tuesday, May 17, and the next minutes appear to be on Wednesday, May 18.

Mr. ERNST: There is no minute on the day on which the Board's decision appears to be handed down signed by Messrs. MacTavish and Tremblay?

The CHAIRMAN: None whatever, but the memorandum on the file is headed "Board decision" and bears on the bottom a stamped endorsation "Entered in minutes," and under that the stamp the words, "Entered in minutes" is written in handwriting, "17-5-27," apparently the 17th of May, 1927, and the initials which appear to me to be "E. E. S."

Mr. Bowman: We should have Mr. Foran here.

Mr. Ernst: I intend to call Mr. Foran before we are through with this file.

The Chairman: Is there any reason why I should retain these minutes longer?

Mr. Chevrier: I do not know of any.

Clarence V. Putman, recalled.

By Mr. Ernst:

Q. Mr. Putman, you recall when the order was made for an investigation by Messrs. Kemmis and Simmins?—A. Very well.

Q. Into the organization of the Civil Service Commission?—A. Very well.

Q. Were you consulted by the Commissioners prior to the issuing of that order?—A. According to my records I was consulted on the day that that order was made, March 29.

Q. According to the records that you keep?—A. I do not keep any particular record, but according to the report which I made on the Kemmis-Simmins report, which was only ten days afterwards, I stated the date on which Mr. Tremblay and Dr. MacTavish had asked for me.

Q. And would you give us, as best you can from your recollection, the conversation which took place between Dr. MacTavish and Mr. Tremblay and Mr. Bland and yourself on that particular date.

Mr. Bowman: You may make reference to your report if you want to refresh your memory.

The Witness: I do not know that I can say anything more than I did say in my report.

By Mr. Ernst:

Q. Look at your report and put it in your own words. Of course, the report is your own words, but state the conversation—A. Mr. Tremblay and Dr. MacTavish called Mr. Bland and myself into Mr. Tremblay's room and told us that they intended to have a report made of the procedure and organization of the Commission by Messrs. Simmins and Kemmis. I objected to the appointment of Mr. Simmins to do that work. He was a junior officer and I do not consider him my best junior officer.

Q. Did you intimate that to them at that time?—A. I did; and I further think I told them—I will not be positive of this—but I think I told them that I did not consider that Mr. Simmins was a proper man to do this because of his conduct. The reason I think that is because of the remark that Mr. Tremblay made and that remark was that that did not make any difference; that it was not—that his private conduct did not interfere with his work, or words to that effect.

Q. You recall those words?—A. I recall those words; so I must have mentioned the fact.

Q. In order to facilitate matters and not to make statements unnecessarily, did you tell him in approximately the same words which appear in your report?—A. All I can say to that—

Mr. Chevrier: The witness was doing splendidly. Why not let him go on?

The Chairman: I cannot see anything objectionable in the question. If Mr. Chevrier wants him subsequently to say what his recollection is now—

Mr. Ernst: Just go ahead and ask him.

The Chairman: All he said is what is shown on his report.

Mr. Chevrier: I object to the way Mr. Ernst is examining.

By Mr. Ernst:

Q. After that, what was the next step, as you recall it, in connection with this particular report of Messrs. Kemmis and Simmins—after that conversation of the 29th of March, with Messrs Tremblay and MacTavish?—A. Of this I am not sure, whether it was immediately after or several days after, I went and told Dr. Roche about it.

Q. You told Dr. Roche about it?—A. Yes, and the next was when Mr. Foran called me and gave me a copy of the report.

Q. One thing more. Was anything said in your conversation with Mr. Tremblay or Dr. MacTavish, on the 29th of March, with reference to your commenting on that report when made?—A. Yes, most certainly, both Dr. MacTavish and Mr. Tremblay told Mr. Bland and myself that we would have an opportunity to comment on it and make any remarks we desired.

Q. You say you got a copy of the report from Mr. Foran?—A. Yes.

Q. Anything else from Mr. Foran?—A. He instructed that we prepare our report,—or suggested it.

Q. Did you do so?—A. You have a copy of it.

Q. Does that report contain your considered opinions of the Kemmis-Simmins report?—A. Most certainly.

Q. Do you recall one paragraph in that report about which there has been a good deal of discussion,—a personal paragraph?—A. Yes.

Q. Relating to one of the gentlemen?—A. Yes.

Q. Were you at any time asked by any of the Commissioners to withdraw or delete any paragraph?—A. Never.

By Mr. Vallance:

Q. I have not had an opportunity of reading your report, Mr. Putman, but I have heard extracts read from it. On what were you asked to report?—A. To make any comments that I desired.

Q. On the report?—A. On the report which was presented by Kemmis and Simmins.

Q. Were you at any time asked by the Commission to report on the character of Simmins or Kemmis?—A. I do not know that I was.

Q. But you did in your report?—A. Incidentally, in my report, I did.

Q. Incidentally; why incidentally? Was the whole report incidental?—A. No.

Q. Or deliberate.

Mr. BOWMAN: What?

Mr. VALLANCE: He says incidental. Why incidental? Why would you do it incidentally? Surely your whole report that you gave on the Kemmis-Simmins report was a deliberate, well thought out, reasonable or reasoned report.

The WITNESS: It was.

By Mr. Vallance:

Q. And yet you were not—you got no order of reference, as we say in the House of Commons, to investigate the character of these two individuals or to assume it your duty to do so?—A. It was within my right as a Chief to report to the Commissioners on anything concerning my staff in any way I thought fit.

Q. When you got specific—.—A. I did not have to have specific instructions to do a thing like that as chief of the branch.

Q. You are under the control of the Civil Service Commission?—A. Most certainly, and anything that comes up in my branch I have the privilege to report to the Commissioners.

Q. In this case the Commissioners instructed you to do certain things?—A. Which I did.

Q. And you over-stepped—

Mr. ERNST: That is a matter of argument.

Mr. VALLANCE: There is no argument about it. What I am trying to get at is what was he asked to do by the Commission? He admits he was asked to report on the Simmins-Kemmis report. I want to know if he was asked also to report on the characters of these two individuals. He says no, but he deems it his duty to do so.

Mr. ERNST: As part of that report?

Mr. BOWMAN: I personally think Mr. Putman would be very derelict in his duty did he not draw attention to the facts.

The WITNESS: As a matter of fact, I say in my report that I know I had been remiss in not so reporting before to the Commission.

Mr. VALLANCE: So this was the first opportunity to do so.

Mr. BOWMAN: In writing. You did tell the Committee what took place at the time you were first consulted in the matter?

The WITNESS: Yes.

By Mr. Bowman:

Q. You objected to this man being appointed?—A. I did.

Q. And told Mr. Tremblay and Dr. MacTavish your reasons?—A. To the best of my knowledge I did that, yes.

The CHAIRMAN: I cannot agree, gentlemen, that this was the first opportunity he had to make a report. I think in fairness to the witness the situation was that it was the first occasion on which he felt that the seriousness of the situation demanded that he should disclose to the Commission certain matters relative to the credibility of the people whose report they were being asked to accept.

By Mr. Vallance:

Q. May I direct the attention of the witness to a statement that appears here on page 19 of his report:—

> I desire to assure the Commissioners that in dealing with the report of Messrs. Kemmis and Simmins I have endeavoured to be entirely impersonal, but in view of the harm which could be done by the adoption of the changes proposed, I feel that in fairness to the Commissioners the following information should be placed at their disposal in order to allow them to judge of the integrity and reliance to be placed in one of the officers concerned.

Mr. BOWMAN: I think that is quite proper.

By Mr. Chevrier:

Q. That gentleman had been in the employment of the Commission for many years, had he not?—A. He had been in the employ of the Commission, I think, since some time in 1920.

Q. And this is dated 1927?—A. The 19th of April, 1927.

Mr. BOWMAN: I think, personally, Mr. Putman should be commended for the report he submitted.

Mr. VALLANCE: I am not objecting to Mr. Putman making a report to the Commission on any of those who are in his branch, but when he waits for seven years—

Mr. BOWMAN: Waits for what?

Mr. VALLANCE: Seven years. This man was in the service for seven years before this report came out.

The WITNESS: Yes, but this employee had not been carrying on in this way until some time late in 1926 or early in 1927. I thought he was a very valuable employee up until that time.

Mr. VALLANCE: I see.

The CHAIRMAN: I now have the minutes of May 17, 1927. They were not with the other minutes, because Dr. Roche had them in his possession:—

> Present: Commissioners Roche, MacTavish and Tremblay; *procedure:* It was decided that in addition to the reports already received from certain members of the staff in reply to the report on methods and procedure submitted by Messrs. Simmins and Kemmis, the Secretary and Messrs. Baril, Bourbonnais, Gilchrist, Brown and Thivierge, should be asked to submit their views with regard to that part of the report of the two investigators which relates to their particular work or branch.

And in brackets it says "Board Decision."

Dr. WILLIAM JAMES ROCHE, recalled.

By Mr. Ernst:

Q. Dr. Roche, you have heard the evidence of Commissioners Tremblay and MacTavish, both?—A. Yes.

Q. With reference to this Kemmis and Simmins report?—A. Yes.

Q. Do you recollect when the minute was made? You heard when the minute was made by Mr. Tremblay and Dr. MacTavish directing that the report be made by Messrs. Simmins and Kemmis?—A. March 29, 1927, I think.

Q. And apparently two days after that minute or direction, you filed a dissenting opinion?—A. Yes.

Q. You heard that read?—A. Yes.

Q. I will read it again, if you so desire?—A. No, I heard it.

Q. Is that the effect of your considered judgment as Chairman of this Commission?—A. Yes.

Q. When was the first occasion that you recollect when Dr. MacTavish and Mr. Tremblay approached you with reference to this matter?—A. Well, ——

Q. Was it at the board meeting of the 29th March, 1927, of which the minutes have been read?—A. I have no recollection of that question coming up for discussing at a former board meeting prior to that minute of March 29; but I have a recollection that on that same date—at least it was on the same day that Mr. Bland and Mr. Putman had their interview with my colleagues, Messrs. Tremblay and MacTavish. After their interview with my two colleagues, these two gentlemen visited my office and interviewed me and told me of the movement that was on foot, and explained it all to me, before that minute was made by my colleagues authorizing the investigation. And after that explanation by the two employees, or two officials, I assured them that so far as I am concerned I was not going to be a party to such an investigation by the two persons concerned.

Q. For the reasons stated in your written Judgment?—A. Yes.

Q. Now, the next minute I find relating to the matter is the minute of May 6, in which the question of disciplinary action is stated to be under consideration, or words to that effect?—A. Yes.

Q. Do you recollect the board meeting on that day?—A. Yes, that is a board meeting of which I think I have a fair recollection.

Q. Tell us what transpired?—A. I think the meeting in the first place was called by my colleagues for the specific purpose of having an explanation from the officials concerned for making what was called the unauthorized comments or reports.

Q. And who was called before that meeting to make that explanation?—A. There were present Mr. Putman, Mr. Bland and Miss Saunders; the secretary was present and the three commissioners. I do not remember any other official being present.

Q. Do you remember anything that transpired, or the effect of the conversation, at the meeting?—A. Yes, I remember there was one particular remark impressed itself upon my mind. I sat back and listened.

Q. Who conducted the board?—A. My colleagues largely cross-questioned and asked various questions of the officials in regard to how they came about to make their comments on the Kemmis-Simmins report; and after discussing the question for some considerable time, Commissioner MacTavish turned around and said: "Well, the Chairman has been very quiet. We would like to hear his opinion." I informed him courteously, but firmly, that I was not in sympathy with the investigation at all, under the circumstances, and gave as my reasons what I have put there upon the record, that I thought it was very ill-advised on the part of the Commissioners to authorize these two men to make such a report or an investigation. And, as a matter of fact, I went perhaps a little further. I do not know whether it was at that meeting or not that I attributed it to the inexperience of my colleagues in administration in government service that caused them to do this; otherwise I did not think they would have done it.

Q. Do you recollect any conversation between Mr. Bland and Mr. Putman and the commissioners, your colleagues, at that meeting—A. Well, the only thing I think which was largely discussed was the explantion from not only Mr. Bland and Mr. Putman but Miss Saunders. I cannot recall just exactly their explanation, but it was set forth subsequently in a communication of the secretary's as to how they came to be authorized.

Q. How they came to be authorized to make a report?—A. Their comments on the Kemmis and Simmins report.

Q. Is it a fact that your colleagues were against the whole three who made the reports at that time?—A. My interpretation of that note that they placed upon the file was calling in question their making comments,—including Bland and Putman.

Q. Including them all?—A. Just as Dr. MacTavish said yesterday, not criticizing the others alone but all those who were not specifically authorized to make the report by my colleagues.

By the Chairman:

Q. There could hardly be any object, Dr. Roche, in your colleagues cross-examining Bland and Putman on that occasion unless there was some condemnation of them for their supposed unauthorized act?—A. Of course I did not know first-hand the nature of the interview with Messrs. Putman and—

By Mr. Ernst:

Q. That is sure, but at this particular interview were Dr. MacTavish and Mr. Tremblay finding fault,—to use an ordinary term,—with these gentlemen, Mr. Bland and Mr. Putman, as well as Miss Saunders, for making this report? —A. That was the interpretation that I placed upon the objection.

Q. That they were finding fault?—A. Yes, rather complaining because it was unauthorized by themselves, they wanted an explanation as to how these comments were forthcoming.

By Mr. Vallance:

Q. Then, Doctor, was anyone authorized to make comments on the report?—A. The secretary in a letter explained how he came to ask the assistant secretary and Mr. Putman, the head of the organization branch, to prepare their reports.

Q. The Commission did not ask for them?—A. Unless at that interview which Dr. MacTavish states that they had with Mr. Putman and Mr. Bland verbally.

Q. Is it customary to take that verbal authority without consulting the Commission?—A. Well, of course, I cannot recall exactly his defence or his letter. If I heard that letter—

By Mr. Ernst:

Q. Perhaps if I read the letter, the first paragraph is the vital paragraph:

> With reference to your memorandum of May 6 regarding the authorization of the reports submitted by officials of the staff, the following points should, I think, be brought to your attention:
>
> 1. Both Mr. Bland and Mr. Putman advised me immediately after your conference with them that you had assured them that when the report of Messrs. Simmins and Kemmis was prepared they would be given an opportunity to study it and to present their views thereon.

A. Yes.

Q. That is what these gentlemen stated at the interview with the board on May 6?—A. Yes, that seemed to be the authority on which the secretary acted in asking for it.

By Mr. Chevrier:

Q. There was no direct authority to the secretary by the commissioners to tell him to tell the other people, namely, Messrs. Bland and Putman, to make the report which they did make?—A. Apparently there was no entry in the minutes to that effect.

Q. And at no time did the commissioners instruct Messrs. Bland and Putman to make the reports which they did to the Commission?—A. At no time by the three Commissioners.

By Mr. MacInnis:

Q. At the interview at which Mr. Bland, Mr. Putman and Miss Saunders were present, do you remember Dr. MacTavish or Mr. Tremblay asking Mr. Bland or Mr. Putman on whose authority they made the report?—A. I could not recall the questions that they asked, but I knew the general purpose for which the meeting was called, and I understood it was to ask for an explanation from the whole of them; but I cannot recall the questions asked back and forth.

By Mr. Vallance:

Q. Would you consider Mr. Putman was within his rights to make a report on the report, even if he was not asked?—A. I would say it would not be out of the way at all. After all, the Commissioners were after information.

Q. You would say he has that right and could use it, if he saw fit?—A. Yes; he is a responsible officer of the Commission, and should bring to the attention of his superior officers anything he thinks would be vital or germane to the subject.

Q. So that you, as Chairman of the Commission, delegated a duty to Mr. Putman to do something, and you would allow Mr. Putman to do whatever he liked, to report on anything he liked outside of the question you gave him?—A. No, I would not say that.

Q. Well, in this instance, you would not agree with the report he sends in? —A. I would not agree with the report?

Q. You would not agree with the report that he makes to the Commission on this Kemmis and Simmins report.—A. Well, do you mind putting that question, did I agree with the statements he made against these two gentlemen.

Q. I asked if you agree with what is contained within the report. What I am wanting to ask you is; do you agree with his actions when he assumed responsibility to report on the character of these individuals on whose report he was asked to comment?—A. Well, he was asked to comment upon the report, and if he saw fit as Chief of the Organization Branch to add anything to emphasize his comments, I think he was quite within his right.

Q. Even supposing he was asked only by the Secretary?—A. Yes, although he was asked only by the Secretary of the Commission.

By Mr. Chevrier:

Q. At any time was he authorized, as I said a moment ago—

Mr. BOWMAN: How?

Mr. ERNST: You are now going on the legal aspect, legal quibbles.

Mr. BOWMAN: How do you mean authorized?

Mr. CHEVRIER: I asked the Chairman—I asked if the three Commissioners had at any time—

Mr. BOWMAN: What three commissioners?

Mr. CHEVRIER: If the three commissioners had, at any time, instructed their Secretary to instruct Messrs. Bland and Putman to make a report on that matter?—A. I do not think so, no.

The CHAIRMAN: I think we all agree on that.

By Mr. Ernst:

Q. Dr. Roche, on that minute of the meeting, you do not sign as concurring?—A. No, I did not sign it.

Q. Or dissent. You merely expressed that by not signing it; is not that right?—A. Yes.

Q. By not signing?—A. The authorization?

Q. Yes.—A. Yes.

Q. Then, on May 17th I find another ordinary board decision, in which further persons, who are members of the staff, were asked to report upon this Kemmis and Simmins report.—A. Yes.

Q. That also was not signed by you, only by your colleagues?—A. Yes.

Q. Would you indicate what happened?—A. My recollection is that was a board meeting that was called for the purpose, if it was that board meeting that we have been talking about just now, where the officials were called in to give their explanation, that the decision was arrived at.

Q. Apparently the minute refers to the minute of the memorandum of the secretary of May 6th, 1927. It is dated May 6th, in which the criticism of officials for making those reports which were not authorized—

The CHAIRMAN: Doctor, it was subsequent to that.

By Mr. Ernst:

Q. On the 17th May there is an ordinary board decision asking that Messrs. Bourbonnais, Gilchrist, Brown, Thivierge and Baril—A. Yes. I have an idea—my recollection is, at any rate, that it was the same board meeting that was called for the purpose of making explanations or getting explanations from those officials as to why they made their comments on officers. We had the report—

Q. At any rate, be that as it may, you expressed your dissent by not signing it; was that it?—A. That was it, I practically washed my hands of the whole affair.

Q. Of the whole affair?—A. Yes.

Q. Now, we come down to a further memorandum, which I find was made at the time that the Order for Return was before the House of Commons?—A. Yes.

Q. And the first is the decision or minute of Dr. MacTavish, in which he objects to bringing down reports of Mr. Bland and Mr. Putman, containing reference to Mr. Simmins and Kemmis.—A. Yes.

Q. And on the first of those I find this minute. That is, of Dr. Roche: "To be consistent with my past attitude I would include all documents on file." What has been your view when an Order of the House of Commons is passed for return

of documents?—A. Well, I am speaking now, more particularly, of the last five years, at any rate. I think my colleagues recognize that I have been a stickler for adhering literally to the wording of the Order of the House.

Q. Bring down everything?—A. Bring down everything. I am on record on many files to that effect.

Q. You do not approve of deletions?—A. No, I do not approve of deletions.

Q. Or discretionary deletions?—A. It all depends, of course, upon the wording of the motion which has been adopted by parliament. If it is comprehensive, as Mr. Garland's was, then I think it includes all documents.

Q. All documents?—A. Yes.

Q. I find a further memorandum of Mr. Tremblay's minute, which was read this afternoon. "I think it is now too late to ask Mr. Bland and Mr. Putman to withdraw."—A. Yes.

Q. I shall read your exact words: "I think it is now too late to take such action, as it would not look right after the papers have been moved for." Is that your view? Does that express your views?—A. Yes.

Q. You oppose deletion?—A. I do.

Q. In the case where the order is comprehensive?—A. Yes.

Q. Thank you.

By Mr. Bowman:

Q. Would you have, under any circumstances, permitted those withdrawals of those statements of Mr. Putman's and Mr. Bland's, after it had been on the file for four years?—A. Would I have?

Q. Permitted their withdrawals from the files?

By Mr. Ernst:

Q. After the order had been passed.—A. From the files?

By Mr. Bowman:

Q. Yes.—A. No. They are a matter of record, and should be kept on our files.

By the Chairman:

Q. Dr. Roche, I should like to be perfectly clear on one thing. Did I understand that Commissioners MacTavish and Tremblay did not consult you with reference to the appointment of Kemmis and Simmins to make this report prior to that memorandum of March 29th, 1927?—A. My best recollection is that I was not consulted prior to that.

Q. The first intimation you had of the matter was when Messrs. Bland and Putman came to you and informed you of what was afoot.—A. So I believe, yes.

Q. Just one other thing, Dr. Roche. We have neglected, I think, to have a record of your qualifications. We did it with the other Commissioners, and I think we should do it with you. Would you be good enough to give them to us, please, prior to your appointment?—A. Well—

Q. To the Commission.—A. In addition to the ordinary public school education, I had what in those days was called grammar school education.

Q. Similar to our high school?—A. Yes, high school. A couple of years at grammar school, and then I taught school for a couple of years. Subsequent to that I took private tuition from an old teacher who for years prepared matriculants in law and medicine for entry into their respective colleges and careers. Then, I attended a medical college for four years, graduating as a medical doctor; went to Manitoba and practised my profession for a quarter of a century; during which time I might say, I was 15 years of that time a representative of the constituency of Marquette, in Parliament. Subsequently I was for six years Minister of the combined department of Interior, Indian Affairs and Immigration, prior to my appointment as Chairman of the Civil Service Commission.

Q. Thank you very much.—A. I do not want to go into details of honorary degrees, or anything like that.

By Mr. Ernst:

Q. Those degrees are not honorary.

Mr. CHEVRIER: They might be misconstrued.

WITNESS: They might be.

By Mr. Ernst:

Q. Your doctor's degree is not an honorary degree?—A. No; I have honorary degrees, too.

Q. You do not use them?—A. I have been Chancellor of the University of Western Ontario for 12 years.

The CHAIRMAN: Thank you very much, Doctor.

Mr. ERNST: I should like to ask Mr. Putman one question.

CLARENCE V. PUTMAN recalled.

By Mr. Ernst:

Q. Mr. Putman, I neglected to ask you if you were present at a particular meeting to which reference has been made by other witnesses when the question of the authorization under which you prepared your report was discussed?—A. I was.

Q. And will you tell the Committee what transpired at that meeting?—A. I do not recall all the details of the meeting. I do remember that we were questioned as to why we presented the report and both Mr. Bland and myself were amazed that we should be questioned on that point.

Q. And who was present?—A. Dr. Roche, Mr. Tremblay, Dr. MacTavish, Mr. Foran, Mr. Bland and myself, and I think Miss Saunders. I will not be sure. Dr. MacTavish did most of the questioning, and the interview did not last very long—probably not more than ten minutes. Well, to say the least, I was amazed that we should be questioned that way, and to be perfectly honest Dr. MacTavish's attitude toward Mr. Bland and myself was decidedly hostile, and he ended up by saying that they would have to take into consideration what steps they would take in connection with the gratuitous report we had presented.

Mr. CHEVRIER: Before we adjourn I would like to refer to the evidence of yesterday, right at the start:—

> Mr. ERNST: Before I start, Mr. Chairman, I wish, in justice to the officials of the Civil Service Commission, to make a statement. It must be obvious that someone has given me inside information in respect to certain matters as the investigation proceeds, someone within the list of employees or former employees of the Civil Service Commission. The gentleman who gave it to me has asked me to mention his name, Mr. Grierson, clerk, grade 4, who is not now on the staff. That is in order that no blame may be imputed to others.

If I want a summons to issue to the gentleman mentioned just now, I suppose Mr. Ernst knows where to get him?

Mr. ERNST: I have not the faintest idea. I have no doubt he can be located because he lives in this city.

Mr. CHEVRIER: At all events, I move that a summons issue to Mr. Grierson to appear here Monday morning.

The CHAIRMAN: The clerk will issue the summons.

Mr. ERNST: Could you make it Tuesday; I will not be able to be here Monday.

Mr. CHEVRIER: Very well, make it for Tuesday.

The Committee adjourned to meet Monday, April 25, at 11 o'clock.

[Hon. W. J. Roche.]
[Mr. C. V. Putman.]

HOUSE OF COMMONS,

April 26, 1932.

The Select Special Committee to inquire into appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 11 a.m., Mr. Lawson presiding.

The CHAIRMAN: Gentlemen, before we start with the evidence this morning, it was brought to my attention last night that there appeared an article in one Ottawa paper dealing with the expense accounts of the Civil Service Commissioners filed before this Committee. When the matter was called to my attention, I made inquiries of the Clerk, and I wish it understood that neither the Clerk nor the Chairman of this Committee gave out to the Press any information with respect to expense accounts which had been filed with the Committee but which has not, as yet, been put in evidence.

Mr. CHEVRIER: I am glad you say that, Mr. Chairman, because I had absolutely nothing to do with it, and I thought it was absolutely unfair that it should come out in that way, particularly to put it out in the way in which it has been put out.

The CHAIRMAN: Well, it was not given to the Press by the Chairman or by the Clerk of the Committee.

Mr. BOWMAN: I might add, also, Mr. Chairman, that I had nothing to do with it.

The CHAIRMAN: I would not have mentioned the matter except I felt that if it looked as though the Clerk might have handed out the information; I wanted him cleared in connection with the matter.

Mr. Ernst asked for Mr. Foran's attendance this morning, amongst others.

Mr. CHEVRIER: I had suggested Mr. Grierson. I am not ready to go on with Mr. Grierson to-day.

The CHAIRMAN: Then, if Mr. Grierson is here, he need not further attend to-day. Will you be ready to-morrow, Mr. Chevrier?

Mr. ERNST: Personally, I would like to have Mr. Grierson called, and Mr. Chevrier can have him recalled if he so desires.

WILLIAM FORAN recalled.

The CHAIRMAN: You have already been sworn, Mr. Foran?

The WITNESS: Yes, Mr. Chairman.

By Mr. Ernst:

Q. Mr. Foran, you were not here to hear the evidence of Thursday and Friday last with reference to this Kemmis-Simmins reorganization suggestion, or report, but do you recollect when it took place? Do you remember when Messrs. Kemmis and Simmins were asked to make a report on the reorganization?—A. Oh, yes, very well.

Q. Had you any interviews with the Commissioners prior to the order appointing Messrs. Kemmis and Simmins to make the report?—A. The Commissioners mentioned it to me several times, after their appointment.

Q. After their appointment or before?—A. After the appointment of the Commissioners—I would say within a month after the appointment of the Commissioners, Commissioner Tremblay told me that he thought there should be some investigation into the procedure and methods of the Civil Service Commission and I said—Well, if there is any ground for it, I think it would be a very good idea. I would like to emphasize this fact: we always welcome an investigation into our procedure, because I think it clears the air and removes a great many of the doubts that exist as to the way in which the work is done in the offices of the Civil Service Commission.

By Mr. Bowman:

Q. Investigation by anybody?—A. At that time I had no idea who they proposed—

Q. You say you always welcome investigations, and I asked the question, investigations by anybody.—A. Well, investigation by a properly constituted authority?

Q. I should imagine so.—A. Yes.

By Mr. Ernst:

Q. Go on, Mr. Foran, and give us your recollection of the various conversations.—A. Then a little later on they mentioned it again. Most of my conversations were with Commissioner Tremblay, because I thought he was being pressed—I just want to make this clear, that I think the initiation came from outside, there was pressure brought to bear on the Commissioner to have the investigation, because there were certain people, I think, who were interested in having things, what I suppose they would term improvements, made in our methods of procedure. I thought I knew who the people were who were pressing the Commissioners, but I found out I was entirely mistaken, and, for that reason, I would not care to mention who I thought was behind the investigation.

The first intimation I had that Mr. Simmins was to be one of them was when Mr. Tremblay asked me what I thought about Mr. Simmins, and I want to say frankly what I told him—Well, I do not like the look of the man, but I had always had good reports from the Chief of the Organization Branch with regard to his work. Well, he said.—That is my report. And I took it for granted that he was going to be one of those who was going to be asked to report. However, nothing further transpired until the meeting of the 29th of March.

Q. Then what was said at the meeting of the 29th of March?—A. Well, the Commissioners—

Q. Who were present at the meeting, Mr. Foran?—A. The three Commissioners and myself.

Q. Were Mr. Bland and Mr. Putman there on that occasion?—A. Oh, no.

Q. Tell us what took place then.—A. Well, they suggested in a very nice way, that this investigation was long overdue and that they had decided it should take place without further delay.

By Mr. Bowman:

Q. Who suggested the investigation was long overdue?—A. Well, Commissioner Tremblay was the one who seemed to be most anxious about it.

Q. Why did he say it was long overdue?—A. Because he had spoken—

Q. He had only been in the Commission a few months?—A. I mentioned, Mr. Bowman, that he had told me—he was appointed in June, 1926, and in July, a month or six weeks afterwards, in talking matters over with him he said then that he thought an investigation should be held. I saw no objection to it. The Commissioners were two new men and they had probably been told a great many things by outsiders. I thought I knew the source from which the criticism emanated, but, after reading Commissioner Tremblay's evidence, I think I am

mistaken now. That was in July. Well, you see this investigation did not take place until March, so that I think Commissioner Tremblay felt that if there was going to be any investigation it should take place then, because, after all, he had been in office about nine months.

By Mr. Ernst:

Q. Well, did you at any time voice any disapproval of the selection of the investigators?—A. Oh, yes, when the matter came up with Mr. Tremblay.

Q. That is the 29th March?—A. Yes. That was the only time that the three Commissioners were together when this matter was discussed, the first time at least.

Q. And what objection did you voice?—A. Dr. Roche objected. I said I thought it was a great mistake. It was an unfortunate move on their part at that time, and I still think so.

Q. Did you give any reasons?—A. Oh, yes.

Q. Well, tell us what reasons you gave?—A. Well, the reasons, practically, that Dr. Roche gave, that Simmins and Kemmis were two juniors. I said, I was quite sure that the Chiefs would resent their being asked to investigate the working of their branches, and considered the Chiefs were much more competent, that it was a very extraordinary suggestion, a very extraordinary proceeding to authorize and, as far as I was concerned, I was very much opposed to it. There was a great deal said between the two Commissioners and myself. Dr. Roche took very little part in the conversation because, as he said, he disassociated himself with the whole thing right from the beginning.

Q. At any rate, the report was made?—A. Yes.

Q. When the report was presented by those two investigators, did you receive it as Secretary?—A. Yes.

Q. And what did you do with it?—A. Before the meeting closed, the Commissioners discussed this matter and finally came to a decision. All minutes of meetings are drafted by the Secretary. In this case I would draft the minute, send it round to the Commissioners to be initialled, and then have it entered in the Minute Book.

I said to the Commissioners, "I don't know exactly what you want in the way of a minute, I wish you would draft it yourselves and send it in to me," and the minute which appears on the file was drafted by Commissioner MacTavish in Commissioner Tremblay's room. After the meeting I believe they sent for Mr. Bland and Mr. Putman.

Q. Were you present at a meeting when Mr. Bland and Mr. Putman were there, after the Minutes were drafted? Did you see them go in?—A. No, I did not see them go in, but they came to me afterwards and told me that they had gone into the Commissioner's room, and that they were told when this report was made they would have an opportunity to reply. I said that was my understanding at the Board meeting. You did not ask me that question, but I would like to say it was made very clear at the meeting.

Q. Before the Minute was signed?—A. Before the Minute was signed, that when this report of Mr. Kemmis and Mr. Simmins was made the chiefs of the branches would have an opportunity to reply before any consideration was given to the report.

Q. Well, ultimately the report was made?—A. Yes.

Q. As brought down in the file?—A. Yes.

Q. To whom did Messrs. Simmins and Kemmis hand that report?—A. Well, my recollection is that they handed the report in to me and told me that they had also delivered a copy of it to the Commissioners. When I got the report I called up both Commissioner Tremblay and Commissioner MacTavish and said, —Now, this report is in, I presume I am authorized to hand it to Messrs. Bland and Putman. They both agreed, and I handed the report to them.

Q. On their authorization?—A. Yes, on their authorization. You see by my memorandum (to me that is as clear as anything possibly could be) that both of these gentlemen agreed over the dictograph to allow me to hand those reports to Messrs. Bland and Putman. I am quite clear as to that.

Q. Well, then, what did Messrs. Bland and Putman do, as you remember it?—A. Well, they took those reports, and I have a distinct recollection of Commissioner MacTavish asking me while they were preparing the replies, when they would be ready.

Q. That is, Commissioner MacTavish asked you when Bland and Putman would have those reports ready?—A. Yes. Before Mr. Bland had completed his report he suggested to me that as the work of Miss Guthrie and Miss Walker was referred to in that report he thought there should be attached to his report some statement from them. I agreed and said that was quite right. He also said, that there was quite a misrepresentation of the conditions in the personal services section, over which Miss Saunders had charge, and he thought there should be a report from her. I agreed that that also was necessary. So far as the reports of those three officials are concerned, I did not consult the commissioners. I did not think it was necessary. As the work of these officials was particularly referred to it was only fair that they should be given an opportunity to reply also.

Q. You agreed that Miss Walker—.—A. That she should be given an opportunity to reply.

Q. Then I find that on the 21st of April you submitted the memoranda of the five officials named—Mr. Bland, Mr. Putman, Miss Reid, Miss Guthrie and Miss Saunders—to the commissioners under a covering letter?—A. Yes.

Q. Which has already been read into the record.—A. And in which I say such reports were made with the consent of the Commissioners. When the report was received I had no protests from the commissioners that I had exceeded my authority in asking for them.

Q. That was on 21st April?—A. Yes. You see several days elapsed before that report was considered by the full Board, and in the interim I want to say that I received no intimation that these reports were not authorized.

Q. I find the next is the memorandum to the Secretary of May 6th,—that would be fifteen days later,—signed "N. MacT. and "J.E.T", saying:

> We have perused the several reports submitted by you conjointly under your communication of the twenty-first ultimo, and hereby acknowledge their receipt for purposes of record.
>
> We are giving consideration to the question of what action is called for on our part by the conduct of the officials concerned, and the unauthorized preparation of these documents.

Have you any comment to make with reference to that memorandum?—A. Oh, no, but we had a meeting. The three officials, Messrs. Putman and Bland and Miss Saunders, were called in. They were asked if they had anything to add to or take away from those reports, and they replied in the negative.

Q. They replied that they had nothing to add or take away?—A. They were simply discharged from further attendance and then we discussed the situation at some length.

Q. Yes, and what was the discussion as you recollect it?—A. Well, the discussion was a very long one.

Q. Can you give the substance of it as you remember it?—A. Well, two of the Commissioners,—I think Commissioner MacTavish has given an explanation of that.

Q. No, no, never mind giving his explanation. What I want is your recollection of the conversation.—A. My recollection of it is that they were very much annoyed at the character of those reports, as I expected they would be.

Q. You expected they would be. Why?—A. Because they took very sharp issue with the people who made the reports.

Q. That is, with Kemmis and Simmins?

By Mr. Chevrier:

Q. Just a moment, with the persons that made the report?—A. The Simmins and Kemmis report upon which those were replies, to which the reports of the three officials were replies.

By Mr. Ernst:

Q. Go ahead, Mr. Foran.—A. As I say, we discussed the matter for some time. Dr. Roche took very little part in the discussion. After the meeting, Dr. MacTavish again drafted a Minute and sent it in to me. I asked Dr. Roche if he had any comment to place on it and he said, No. A few days later we had another meeting, and the two Commissioners agreed that other officials should be asked to make reports.

Q. I find then, in reply to that memorandum of May 6th, that you wrote a memorandum on the 17th of May?—A. Well, I did, because when the word "unauthorized" was used I thought it was my duty to put my protest on file.

Q. Your protest reads:—

MEMORANDUM TO COMMISSIONERS MACTAVISH AND TREMBLAY

With reference to your memorandum of May 6th regarding the authorization of the reports submitted by officials of the staff, the following points should, I think, be brought to your attention:—

1. Both Mr. Bland and Mr. Putman advised me immediately after your conference with them that you had assured them that when the report of Messrs. Simmins and Kemmis was prepared they would be given an opportunity to study it and to present their views thereon.
2. When a copy of their report was placed before me by Messrs. Simmins and Kemmis I secured your permission to hand a copy thereof to the officials concerned.
3. I instructed the officials in question to study the report and let me have their comments thereon with the feeling that this was only the proper step for me to take in order that the Commissioners might have the fullest possible information before them in dealing with the report, but that it was also in accordance with your own wishes as implied in the assurance referred to above.
4. The reports, which were made to the Secretary, and which, on perusal, I considered necessary to an intelligent study of the suggestions made by Messrs. Simmins and Kemmis, were submitted to you under cover of a memorandum from myself recommending them to your careful consideration.

That is what you refer to as your protest?—A. Yes. Now, there is no reply to that on file.

Q. Then the next is a Minute, signed again, "N. MacT" and "J.E.T.", bearing date May 17, 1927. It is called Board Decision, in which they state:—

It was decided that in addition to the procedure reports already received from certain members of the staff in reply to the report on Methods and Procedure submitted by Messrs. Simmins and Kemmis, the Secretary, and Messrs. Baril, Bourbonnais, Gilchrist, Brown and Thivierge should be asked to submit their views with regard to that part of the report of the two investigators which relates to their particular work or branch.

And then I find the subsequent reports were prepared from these people, and then I transmitted them to the Commissioners.

Q. Transmitted them under covering letter of August 22, 1927.—A. You see, there was quite a lapse of time. There seemed to be no particular hurry about those final reports, and when I sent in that report I heard nothing definite about it, since the matter was allowed to drop.

Q. Your memorandum of the 22nd of August, 1927, to the Commissioners, reads:—

> In accordance with the Minute of May 17, 1927, reports have been prepared by Messrs. Baril, Bourbonnais, Brown, Gilchrist and Thivierge dealing with the suggestions made by Messrs. Kemmis and Simmins regarding proposed changes in the methods and procedure of the Commission. These reports are herewith submitted for the consideration of the Commissioners and, in view of the divergence of the views expressed—on the one hand, by those who prepared the original report, and on the other, by those who have replied thereto—it seems to me that the logical method of arriving at a satisfactory conclusion would be by means of a round table conference between the Commissioners and the chief officers of the staff.
>
> It is surprising to me that there should be such a difference of opinion and that it should find expression only when the two members of the staff in question were instructed to submit their views, especially as the staff have invariably been given to understand that the Commissioners and myself were always ready to receive and consider any constructive suggestions looking to the improvement of our methods and procedure. I would recommend, therefore, that in future should members of the staff have suggestions to make regarding the methods or procedure of the Commission, they should not hesitate to submit them to their senior officers who, in turn, will be required to submit them, with such observations thereon as they may desire to make, for the consideration of the Commissioners.
>
> An even better plan, and one that I would like the Commissioners to carefully consider, would be the holding of periodical staff conferences where opportunity would be afforded to discuss difficulties, exchange ideas, seek and give advice and suggestions, and develop mutual understanding and confidence. An hour every week devoted to this end would, I believe, prove tremendously valuable. I may add that it is not an untried practice, and wherever it has been adopted it has proved most successful.
>
> It does not seem necessary that I should add anything to the various reports submitted, particularly as those of Messrs. Bland, Baril and Putman have already covered the majority of the points on which I might have reported. The reports have been prepared by the officers who are actually in touch with the details involved and should in my opinion furnish sufficient ground for the adequate consideration of the proposals made.

That was your memorandum?—A. That was my memorandum.

Q. To the Commissioners. Was any action ever taken on that?—A. No.

Q. Was any further action ever taken with reference to those reports with your memorandum of August 22, 1927?—A. No.

Q. Do you know what disposition was made of it?—A. There was no disposition made of it.

Q. No Board meeting?—A. No Board meeting. The matter was never mentioned afterwards.

Q. Were any of your suggestions given effect to?—A. No. I think the Commissioners realized, after they considered the matter very carefully, that

they—if I might use the term—had got a wrong steer, there wasn't anything in the criticisms that they had heard from the outside about the procedure and methods of the Commission, and they thought they would let well enough alone; and I think the Commissioners have realized since then that we were working under tremendous difficulties and doing good work.

Q. What, in your opinion, would have been the effect of the Kemmis-Simmins report on the merit system?—A. Very bad. After all, you must remember you were getting two new men, and when it was suggested to put one man in charge of examination methods and the other in charge of organization—

By Mr. Chevrier:

Q. At all events, nothing ever came out of this report?—A. Nothing.

Q. It is a dead letter?—A. Oh, it is a dead issue.

Mr. Ernst: Killed by the staff. That is all I want to ask.

By Mr. Chevrier:

Q. And this is a dead report? Did any harm ever come out of this?—A. No, I think it had the effect of clearing the air around the Civil Service Commission office, of establishing a better understanding between the new Commissioners and the staff.

Mr. Chevrier: That is the most cheerful note we have had yet.

By Mr. Bowman:

Q. The recommendation was so bad it had a good effect,—that is really what it amounts to?—A. No. I do think—

Q. Just a minute, Mr. Foran. You said a moment ago that the report was exceedingly bad, as it would have had the effect of putting one Commissioner at the head of the examination branch and the other at the head of the organization branch, and that in that respect it was very bad, and because it did go that far that it had a good effect upon the Commission.—A. It had the result of arriving at a better understanding between the two new Commissioners and the staff, because they realized themselves that these two men had been handed a task that they were quite unfitted to assume—at that particular time at all events. It would have been ridiculous to adopt their recommendations.

Q. They have been very modest in bringing that forward themselves.—A. Well, I think they realized that it was altogether too big a task for them at that time.

Mr. Chevrier: That is one time, anyway, that the two new Commissioners, in the use of their discretion, did something that was good.

The Witness: Well, I would say that the effect of that flare-up,—my position was really one, as you will see from the files there, of armed neutrality—I was holding back. The wigs were on the green and I thought someone ought to be looking on in case it should be necessary, in the last analysis, to bring up some reserves; so the plan worked out very satisfactorily.

By Mr. Ernst:

Q. In other words, you think the fact that Bland and Putman said in plain words what they thought about the report had a salutory effect?—A. I think it has resulted in a better understanding between the Commissioners and ourselves.

Q. That is the reaction to Messrs. Bland and Putman putting in those reports.—A. That is up to you to interpret.

Q. At least at the time they were put in the Commissioners were incensed at receiving them?—A. Well, yes, they were annoyed. I think they admitted that. I forgot what the Commissioners' remarks were.

Q. I am just asking you what happened?—A. Oh, yes.

By Mr. Bowman:

Q. Yes, and the fact that did put this issue up strictly to the Commissioners was the reports that were filed by Mr. Bland and Mr. Putman and the three ladies; that put the issue up plainly.—A. Well, it put all the facts before them. Mr. Kemmis and Mr. Simmins had their opportunity of reporting. Remember, members of the staff where the procedure was to be changed had the opportunity to reply, and I think upon a full and mature consideration of all reports, the Commissioners came to the conclusion that it was just as well to leave things as they were.

Mr. CHEVRIER: Some credit, I suppose, is due to the Commissioners, too?

Mr. BOWMAN: They are given credit for everything they should be given credit for.

The WITNESS: There was no reason why the Commissioners should not look into our methods and proceedings when they heard the criticisms from outside. I said I thought I knew the source from which the pressure was coming. But since the minute has been discussed before your Committee I have rather changed my mind. There is no doubt the Commissioners were being pressed from the outside, because when the Commissioners got the facts before them they decided they had got a wrong steer.

Mr. CHEVRIER: Good, all's well that ends well.

The CHAIRMAN: Anything else, gentlemen, on this?

Mr. CHEVRIER: No.

The CHAIRMAN: Mr. Foran, I would like to ask a question or two arising out of the evidence you gave when you were before this Committee previously. I want to read to you from page 75 of the record when we were dealing with appointments and ratings by Rating Boards of people who were in temporary positions, having been so appointed on the recommendation of the Department. You said in answer to a question from me:—

> "The department usually reports that it must have someone immediately and for that reason the department's nominee is certified. The position is subsequently advertised, and very often the person selected by the department receives the permanent appointment. Now, the fact that he is on the job is given no special consideration by the Board that makes the selection. It gives him no prescriptive rights at all in the competition. He is simply placed temporarily on the job because of the claims of the department that the employment is urgently required, and this fact is usually reported to the advisory board by the representative of the department when the permanent appointment is under consideration. His statement is to the effect that so and so, naming the temporary incumbent, is rated high because he has been on the job and has established his fitness for the position in a manner that is highly satisfactory to the department."

And then again, at page 76, in answer to Mr. Bowman, you said:—

> Mr. Bowman the rating is furnished by this Board. The employee to whom you are referring has no rating on his temporary employment. He is nominated by the department and we issued a temporary certificate for him until the competition is complete. Then, when the Board meets, to make a selection, he gets no advantage whatever by reason of his temporary services.
>
> Q. You say that he has no advantage whatever by reason of his temporary services?—A. Yes.

Then Mr. MacInnis was interested in the question and he came back again asked you in reference to the question, and your answer to Mr. MacInnis was:—

The fact that a man is in the position temporarily is not to be considered at all by the Board rating the applicants. They are all supposed to be on an equal footing. If a temporary appointment has been made, and the position is advertised, the man who has been placed in the temporary position does not get any advantage in the final rating for the position.

Now, Mr. Foran, since you were here giving evidence, we have had cases before this Committee where Mr. Morgan, one of the Civil Service Examiners, came up here, and he draws a distinction and says, if a man has only been on the job temporarily for a month, or a matter of weeks, it has no effect, but where he has been on the job for three, four, or six, or nine months, of course it has a tremendous effect. We have had files before us in which the Commissioners themselves have recorded, in their own handwriting, that they picked John Jones in preference to Bill Smith, that is, that Bill Smith may have had the higher rating on education but John Jones gets the job because he has been in the temporary position and has had the experience. In view of that, do you wish to qualify the statements made in your previous evidence here?—A. Well, I hope that I made it clear, what the attitude of the Commission was, a man was not to be given any weight for his temporary services on the job. If he is a man that has had a lot of experience before—

Q. No, no.—A. You are speaking of his—

Q. I am only talking about the experience he had right on that very job.—A. Well, then, if the Examiner swore that he allowed, or took any cognizance of that, then he was going against the express instructions of the Commission, as I have always understood them.

Q. Would you suggest any means by which the instructions of the Commission might be carried out, because we have had several cases here in which such ratings have been given?—A. The Examiners have been instructed, through their Chief, to see that at those Boards no particular rating is given to the man by reason of his temporary service on that job.

Q. So we can take it that where an examiner has given a man special advantage, because of his experience while on that job, that is contrary to the instructions of the Commission?—A. As I understand it, yes.

Q. Well, now, what about the cases where the Commissioners themselves give a man a preference because he has had temporary experience on that job?—A. Well, the Commissioners—

Q. That is inexplicable to you?—A. The Commissioners have a right to do as they please. They make the rules.

Q. And they can change—.—A. They make these rulings and they can change them, if they want to do that.

Q. I can take it from you, then, Mr. Foran, that even though the Commissioners themselves, by their judgment, have given the man who was rated second the position instead of the man who was rated first, and based it on the experience he has had while in that very position temporarily, they are going directly contrary to the instructions which are given to the Civil Service Examiners?—A. That, as I understand it, is true. That is, that two men are equal in merit, and if the Commissioners think—

Q. Mr. Foran, do not bother with the cases where they are equal in merit. Take a more extreme case. We have had cases here where they were not equal in merit, where one man was rated higher than the other, and the one who was second was put in the position.—A. Well, he should not be. If he was put in it because of his temporary services he should not.

Mr. CHEVRIER: Why not let the Commissioners explain that part of it.

The CHAIRMAN: I think when a witness comes before this Committee and makes bald and sworn statements here, which I afterwards find to be inaccurate, I am certainly entitled to ask that witness to explain his former statements to

me, and I am not bound to call the Commissioners, or anybody else, in connection with it.

Mr. CHEVRIER: His own statements, oh, yes.

The CHAIRMAN: Go ahead, Mr. Chevrier.

By Mr. Chevrier:

Q. Now, Mr. Foran, I want you to speak of only whereof you know.

Mr. BOWMAN: It is to be hoped he has not been swearing to something he did not know.

Mr. CHEVRIER: He has been saying a lot of things about the attitude of the Commissioners.

Q. I find here, in Return 15, from the Civil Service Commission to this Committee, Report on Applicants for Postmasterships, on the second page—paragraph 14:—

> If interviewed the Inspector will please answer the following:—
>
> As compared with a standard of 100 per cent, what, in your opinion, would be this applicant's rating for all-round suitability for the position. Sixty per cent to be regarded as "barely satisfactory" and experience as Acting Postmaster in the position in question *not* to be taken into consideration.

A. Well, that bears out what I have said.

Q. Now, what is that? Is this a ruling or is this a regulation?—A. It is the ruling of the Commissioners.

Q. That is the ruling?—A. Yes.

Q. And if it is the ruling, the Commissioners may interpret that in whatever way they like, you say, but the fact remains that on those application forms that experience as Acting Postmaster in the position in question is not to be taken into consideration?—A. No, it is not.

Q. I know that was in some of them, but I did not look these things through. To shorten it up, are there any other forms used by the Civil Service Commission where that same ruling is embodied?—A. I am not sure as to that, but I think that Mr. Bland gave instructions to the examiners, in writing, with regard to there being no weight attached to temporary service.

Q. To follow that out?—A. Yes, to follow it right through.

By the Chairman:

Q. I have here now the other point on which I wish to question you, Mr. Foran. Also in giving evidence before this Committee, at page 78, Mr. MacInnis asked some questions as to the length of time it took to make appointments. He said:—

> Well, then, how long after you do receive the applications until the appointment would be made?—A. Well, it varies, of course. If there is a written examination, that causes some delay, but if not I would say two weeks after the time allowed for receiving applications expires. In other cases it is longer of course; that is, in the case of written examinations on account of the great distances in the country. You have got to hold your examinations at all centres where there are applicants and that, of course, would cause some delay. That is inevitable in a system requiring notices, requiring advertising of notices.
>
> Mr. ERNST: I have known cases of months.
>
> *By Mr. MacInnis:*
>
> Q. Ordinarily, then, you would make an appointment in five weeks?—A. I would say yes.
>
> Q. Well, at the longest, it would not require more than two months?—A. No, it would not require more than two months.
>
> Q. It should not.—A. It should not.
>
> The CHAIRMAN: That is from the time they advertise?

Then we have had cases coming before this Committee, Mr. Foran, in which it took two years, where there was no written examination. For example, I will quote the Sutton Post Office and the Danville Post Office, and we find hundreds of appointments made in the Customs and Excise department where the length of time on all of them was over ninety days, so obviously your statements contained on pages 78 and 79 of the evidence, are not quite correct.—A. You will appreciate, Mr. Chairman, that a statement of that kind is made assuming that everybody is on the job and doing his work. Now, it does not necessarily mean that because it took two years to make an appointment the Commission was entirely responsible. Someone was responsible for the delay, not always the Commission.

Q. I am not trying to place the blame on anybody, but you come before this Committee and you swear to a certain statement and you do not say in that statement "Assuming everybody is on the job," and I would like to have the record correct.—A. I would like to qualify that by saying, with everyone who has anything to do with that appointment on the job and giving the proper co-operation.

Q. In other words, when you gave evidence here before, you were not referring to what the facts actually were, but what they ought to be?—A. I know actual cases—

Q. If the system ran properly?—A. I know there are cases to-day where we cannot get a department to move in regard to appointments we have been pressed to make.

Q. I say, in justice to the Commission, Mr. Foran, that I have observed cases where departments have not given you a report for two years, but the thing that is beyond my comprehension is that the Civil Service Commission, sitting as a body, administering a merit system, will allow any Department to hold up a position for two years and have someone temporarily in that position without insisting on some disposition of the case?—A. Of course, in these individual cases we could give you the explanation of this long delay, and I just want to emphasize, in that connection, this point, Mr. Chairman, that if you will create a permanent Parliamentary Committee you will find that it will speed up all appointments to the public service. There will be no such delays caused. That is a feature of our work that should be inquired into every year because there is no doubt that there are very serious delays. It may be that, in a few instances, the Commission is responsible, but I would say that the number of cases in which we are responsible are comparatively very few, and it would be just as well that you place the responsibility where it properly belongs.

Q. Well, I am sorry to say, Mr. Foran, I cannot again agree with your last statement, that there are very few cases. Having examined many, many files it is about 50-50, according to my observation?—A. I would like to know the reason why we are not speeding them up, because so far as we are concerned we are trying to do the work and we do not waste any time.

By Mr. Ernst:

Q. Is there very much time wasted after you hand it on to the Commissioners?—A. I cannot say as to that. Of course, you must remember, gentlemen, that it is inevitable where you have three men to deal with. It goes to one Commissioner; he has got to give it consideration, and if another happens to be out of town, or busy with other things, it stays on his desk for a few days; then it goes to another Commissioner; it must go around the three men, whereas in a department, where you have only a deputy to deal with, he initials or reports it right away.

By the Chairman:

Q. You have just mentioned something that I was going to ask you about. Is it not a fact that in cases you send a file, or start it on its round of the Com-

missioners, and from the time it leaves your hand till it comes back again in some cases as much as twenty to twenty-five days expire?—A. I would say that is true, yes.

Q. Mr. Foran, could those things all not be disposed of very quickly, if this Commission met as a Board even once a week for an hour? It is supposed to meet twice a week now?—A. I know Commissions that have jurisdiction over as many employees and they meet once a month, but where you have your rules and regulations, and a Commission dealing with questions of policy—

Q. I wish you had been preaching to the Commission for the last four or five years.—A. Oh, well, you gentlemen should have a little sympathy for a man who occupies the position I do. I have got to cater to three boss' wants.

Mr. Ernst: You are between the devil and the deep sea. You are damned if you do and damned if you don't.

By Mr. Chevrier:

Q. Mr. Foran, do you want me to go away from here with the idea that these delays are mostly due to the delays of the Commissioners themselves? Do you want me to take it that you are blaming the Commissioners for the delays?—A. I am blaming nobody, Mr. Chevrier. The Chairman said that there were some cases where it was twenty to twenty-five days before action was completed, before the matter had gone the rounds of the Commissioners.

Q. It may be that some files take twenty-five days. I would readily admit that. Probably some files would take two months, before they would come back to you?—A. Yes.

Q. But what is the reason?—A. I presume that the Commissioners are giving the matter consideration.

Q. No, no; what is the reason? Are the Commissioners unduly lazy or are they on the job all the time?—A. I am not finding fault.

Q. Well, what is the reason?—A. I presume because they are giving consideration to these cases.

Q. And are they taking, in your opinion, too long a time to give consideration? What is the reason for the delay?—A. You do not suppose that it is my privilege to decide how long they should or should not take?

Q. It seems to be your privilege to know a lot of things.

The Chairman: I do not think that is fair to the witness.

The Witness: There are a whole lot of things that perhaps I had better keep to myself.

Mr. Ernst: I do not know that you really should do that, if they would be of any use to this Committee.

By Mr. Chevrier:

Q. You have left the impression in my mind, that one of the serious difficulties in the matter of delays was that it took an unusually long time for the files to come back from the Commissioners to you. Now, I wish you would give us some explanation about that.—A. Well, who asked the question, Mr. Chevrier?

The Chairman: I did.

By Mr. Chevrier:

Q. Answer him then if you do not want to answer me.—A. I did not bring up the question of delays, it was the Chairman, and I have answered him. I say that there are cases such as he has described where it has been twenty or twenty-five days before the file has come back from the Commissioners.

Q. Are you prepared to blame the Commissioners for that?

Mr. ERNST: I do not think that is fair, Mr. Chevrier.

The WITNESS: I repeat again,—Do you think it is my privilege to be blaming the Commissioners?

Mr. VALLANCE: Mr. Chairman, might I appeal to you to see if you cannot control some of this discussion?

The WITNESS: I am blaming nobody.

By the Chairman:

Q. Mr. Foran, I have in mind at the moment a specific case, the case of an appointment for a postmaster at the Danville Post Office. According to the record, as I see it, the file remained in the possession of Commissioner Tremblay for three months; can you tell me any reason for that?—A. No. I have not looked over the file so I cannot say. However, Commissioner Tremblay is here and he can answer that for himself.

By Mr. MacInnis:

Q. However, if there was a case of that kind would it not come to your attention in some way?—A. Yes. We might ask the Commissioner about it and say that inquiry has been received as to the delay in sending it on to them. If there is any further letter comes in we send the letter in to the Commissioner who happens to have the file at the time.

Q. The information I wish to get is, when there is an appointment being made, and the rating has come in, I understand it is sent round to the Commissioners for aproval. If the matter has gone through your hands and has been held up by someone for some time, would not you send out some inquiry as to where that file was?—A. We do, yes.

Q. And did you do anything in connection with this one?—A. No, I do not remember anything about the Danville Post Office at all.

Q. Did you ever suggest to the Commissioners that through their holding up the files, or any delay whatever, and not dealing with them promptly, that appointments were being delayed?—A. No, I do not think we would lecture the Commissioners.

Q. That would be telling the Commissioners that they were interfering with the efficient working of the Commission?—A. There would be no official protest. While I might say to a Commissioner—and probably have said—that there is a lot of delay caused by this procedure of sending them from one to the other, there would be no official protest.

Q. Let me put it another way: We have, during the last few sittings of this Committee, been discussing the appointments of two members of the staff to investigate the causes of delay. Now, did you ever suggest to Commissioner Tremblay that possibly one cause of delay was to hold up a file for three months?—A. No, I do not think I did. In fact I have no recollection of the particular case that is referred to by the Chairman.

By Mr. Ernst:

Mr. Foran, are any of the Commissioners frequently absent from duty or absent from the offices of the Commission? Let me put it this way: Are there any of them who are frequently absent from the offices of the Commission?—A. Of course that is true, yes.

By Mr. Vallance:

Q. They do not punch the clock?—A. No, they do not punch the clock and they do not have to ask the permission of the Secretary to be absent.

By Mr. Ernst:

Q. My question was, are there any of them who are frequently absent from duty, or from the office, not duty,—absent from the offices of the Commission?—A. Yes, that is true.

Q. And which Commissioners would they be, if any, or would it apply to all three?—A. I think Commissioner MacTavish has been away more than the other two.

Q. I am not talking about his illness, I mean apart from that?—A. He has had occasion to visit Toronto very frequently since his appointment.

Mr. LAURIN: I suppose they take holidays sometimes?

Mr. ERNST: I mean apart from holidays?

By Mr. Laurin:

Q. I wish to ask, Mr. Foran, if they take holidays together or separately? —A. Separately.

Q. How long, three weeks?—A. Oh, I cannot say. We do not keep track of what holidays they may take. All we do is to record their absence from the office.

By Mr. Ernst:

Q. Do those absentations on the part of Commisisoner MacTavish tend to delay files from time to time?—A. Usually we put through most files on the signatures of two of the Commissioners, if one is absent, but, if it is something that has reference to the department over which one Commissioner has charge we might find it advisable, or the other two Commissioners might find it advisable, to await his return.

Q. Each Commissioner, of course, is responsible for certain departments? —A. Certain departments, yes.

Q. And I suppose the ordinary procedure is, the files relating to his departments are put on his desk to deal with?—A. They go to his desk first.

Q. And if he were absent it would naturally cause a delay; they would not be dealt with until his return?—A. That is true, unless we had some reason to know that he would not be back for some time, in which case they would go to the other two Commissioners.

Q. Is such information supplied to you when a Commissioner goes away? —A. Usually, yes.

Q. As to the length of his absence?—A. We usually know whether he will be back in a day or two, and if he is going to be away for, say, ten days, we send them to the other Commissioners.

By Mr. Chevrier:

Q. When Commissioner MacTavish has been away, did you know where he went?—A. He has business more frequently in Toronto.

Q. Do you know whether that is on official business or not?—A. Well, I cannot say.

By Mr. Laurin:

Q. Is there any record of a Commissioner's absence from the office, when he went away and when he came back?—A. Their absence is recorded, yes. There is a daily Minute kept of the proceedings of the Commission, and the presence of the Commissioners that day is noted in the Minutes.

By Mr. Ernst:

Q. Every day?—A. Yes.

Q. Can that record be produced?

The CHAIRMAN: The Minute Book is the record.

By Mr. Ernst:

Q. Could it be produced for, say a couple of years?—A. Oh, yes.

Q. That is, it shows whether a Commissioner was at the office, or out of the office, on that particular day?—A. Yes.

Mr. ERNST: I think that should be produced, Mr. Chairman.

By Mr. Laurin:

Q. If they go outside of Ottawa, do they make any report of their absence? —A. They give a report when they return, if the absence is on official business.

By Mr. Bowman:

Q. Do they always make a report of their trips out of town?—A. Well, it is difficult to answer that question. If a Commissioner goes away to look into something that he is dealing with at the time, he does not necessarily have to put any report on file. He simply goes away to clear up some doubt, or some point in connection with an appointment, and when he comes back he initials the file and sends it through, or if he has discovered anything which he thinks is an objection to the appointment, he will put that on file.

By Mr. Vallance:

Q. I suppose there are many factors that enter into the holding up of appointments. In your opinion, what is the greatest factor that would enter into the holding up of an appointment? We will take the appointment of a postmaster in western Canada, what would be the greatest factor for the holding up of the appointment, or have you enumerated the factors that enter into it?—A. I would say in the case of Post Offices the department is more responsible for the delays than the Commission. There are a number of cases in which perhaps we are responsible, but I think the department is responsible, in not sending in their reports more quickly.

Q. Do you ever find political interference as one of the factors?—A. Of course, there would be no political interference with me as secretary.

Q. You would not have any knowledge of any, or would have no way of knowing that there was political interference?—A. I wouldn't, no. There is no use of anybody bringing any political pressure to bear on me, because I have no power to make any appointments.

Q. But I am dealing with the holding up of appointments. I am not accusing you.—A. As I say, there may be a few cases where the Commission was responsible, but I think in the majority of cases you will find that a department was responsible for the delay.

By Mr. MacInnis:

Q. What departments come under the supervision of the Chairman?—A. Well, the Post Office is one of them. I just cannot recall. You have a list of them here.

Q. I have not got it before me.

The CHAIRMAN: Here it is, Mr. MacInnis.

By Mr. MacInnis:

Q. The Chairman, it seems, had very little occasion to leave the City of Ottawa on business.—A. Yes. The Doctor is not fond of travelling.

Q. Then is a fondness for travelling a reason for leaving Ottawa on business?—A. I do not know. You will have to ask the people who make the trips.

Q. Well, you are the Secretary and secretaries are generally a mint of information. If one of the Commissioners went, say to Montreal, and on his return put in a bill for $50.65, would that bill be itemized?—A. Yes.

Q. Would there be a statement of the official business on which he had taken the trip, would it appear on the bill?—A. In some cases yes. Other cases, I do not think they require to say exactly what business they were on.

Q. Would official business take any of the Commissioners outside of Canada? —A. Oh, yes.

By Mr. Laurin:

Q. When they come back do they have vouchers, details of all the expenses? —A. Oh, yes. They have to put in a detailed statement of their account. That is checked over with our accountant and subsequently by the Auditor General.

By Mr. Ernst:

Q. I was not going to go into this now, but just one question. I find in a number of instances that the accounts are passed for payment with the place not designated on them?—A. Well, that would be the matter for the accountant of contingencies. I simply sign the requisition on the Accountant of Contingencies when our accountant sends in the statement of their travelling expenses.

By Mr. MacInnis:

Q. It seems that these accounts for expenses have been increasing. I find in 1926 where one of the Commissioners had expense accounts totalling $1,997.30; in 1927, it was $282; in 1928 it was $1,107; in 1929, $656. May we have the vouchers for those expense items?—A. If we have them, yes. If not, you will have to get them from the Auditor General, but I will inquire into that and have them sent up to you.

By Mr. Laurin:

Q. Could you explain to me, Mr. Foran, why it is that Dr. Roche, according to the total expense accounts for the past six years, only had $22.50 while the others had the residue of the expenses; does that mean that since 1926 to date Dr. Roche was not allowed to go outside of the office, that just the other two Commissioners had that privilege?

Mr. MacInnis: He was not fond of travelling.

The Witness: That is right, yes.

By Mr. MacInnis:

Q. Did that happen since they tried to have those reports on reorganization? —A. Oh, no, it has nothing to do with that at all.

Q. That was not the object?—A. There was no reason for the Chairman going outside, that was, in his judgment. He did not feel that he had to do any travelling. He simply stayed at home.

By Mr. Vallance:

Q. Mr. Foran, is it within the jurisdiction of the Organization Branch, for instance, to suggest to a Commissioner,—in view of the disparity in the expense accounts,—it is within the jurisdiction of the Organization Branch to suggest to some of the Commissioners that their expenses are mounting up rather steadily?— A. Certainly not.

By Mr. Bowman:

Q. That is a matter for the Commissioners themselves?—A. Exactly, for the Commissioners themselves.

The Chairman: He simply could not tell the boss.

Mr. MacInnis: The business of the Secretary was to keep them in good humour.

By Mr. Bowman:

Q. I note, Mr. Foran, that the total expenses of Dr. Roche, the Chairman of the Commission, for the years 1926-27, 1927-28, 1928-29, 1929-30, 1930-31 and 1931-32 are $22.50.—A. Yes. I do not know how we got the Doctor to take even that money. He really refused to put in a bill; it was occasioned when he went to Toronto to give an address on the Civil Service before the Citizens' Research Bureau and when he returned I said—What about your bill and he said,—That's all right. I said,—It isn't all right, you went up there on official business, put in your account; and he reluctantly did so.

Mr. BOWMAN: And the total for Commissioner Tremblay for the same period is $3,024.25, and the total for the same period for Commissioner MacTavish is $3,917.05.

The CHAIRMAN: Anything else, gentlemen, from Mr. Foran?

Mr. ERNST: You will produce those Minutes, Mr. Foran, showing the daily attendance; produce the Minutes and make a record from them?

The CHAIRMAN: For what length of time?

Mr. ERNST: Take from 1928 to date showing when each individual Commissioner was in the office and when he was not.

The CHAIRMAN: Anything else, gentlemen?

Mr. BOWMAN: I would like Mr. Foran to let me have the number of dissenting judgments.

The CHAIRMAN: Mr. MacInnis asked for those files and that information is in course of preparation now.

The WITNESS: You have that information for several years. It is not completed yet, but we can have that ready for you in a day or two. I think 1926, 1927, part of 1928 are here now, 1929 is nearly ready.

Mr. BOWMAN: I want a summary setting forth the dissenting judgments. I do not want each case, but I want a summary of the number of times that each particular Commissioner has been the dissenting Commissioner.

The CHAIRMAN: To close up this matter that we have been dealing with for two or three days, I asked to have Mr. Kemmis here to-day in order to ask him a few questions.

Witness retired.

ARTHUR CHARLES KEMMIS, sworn.

By the Chairman:

Q. Mr. Kemmis, you were one of the gentlemen chosen and requested by Commissioners MacTavish and Tremblay to make some sort of investigation and recommendations, in 1927, in conjunction with Mr. Simmins?—A. I was, yes.

Q. For the purpose of the convenience, therefore, I am going to refer to that document as the Kemmis-Simmins report. It has been suggested here that in making that report you exceeded your instructions. Would you be good enough to tell me what instructions you received, from whom you received them, and whether or not you exceeded those instructions in making your report.—A. I was called into Dr. MacTavish's room. Dr. MacTavish and Commissioner Tremblay were there and Major Simmins. I was informed that the Commissioners had decided that they wished to have a report on the procedure of the Commission, with a view to quickening up procedure and avoiding delays, and also improving the organization of the staff, with a view not only to improving procedure but also to effecting economies, and I was asked, if I would undertake,

with Mr. Simmins, to make a report on the Commission. However, those were the instructions.

A figure of some $20,000 was suggested as a possible object of economy in reduction of expenses of the Commission. Now, I am not sure whether that figure of $20,000 was suggested at that time or later, but it was before we started to make the investigation. Then I received a letter from Mr. Foran later instructing me—I think a duplicate of the letter to Major Simmins—that we were to carry out a certain investigation. I have not got that letter; I cannot find it. It and the original copy of my report has disappeared.

Q. Just a moment. Let me read you a letter addressed to Mr. Simmins and see if you can tell me, from memory, if this was a copy, if this was the same letter you received. It is signed by the Secretary of the Civil Service Commission, dated April 1, 1927:—

> I beg to inform you that at a meeting of the Board held on Tuesday last a motion was adopted, at the instance of Commissioners MacTavish and Tremblay instructing myself to have you and Mr. Kemmis submit to the Commissioners whatever suggestions you may have with reference to possible improvements in the methods and procedure of the Commission.
>
> I am arranging with the Chief of the Organization Branch to have you relieved of all other work in order that you may devote your full time to the preparation of the report desired by the Commissioners.

Is that similar to the letter you received?—A. It is similar, yes, sir.

Q. Then prior to this occasion on which you were called in to Commissioner MacTavish's office and given the instructions verbally which you have here in outline, did you have any conversation with respect to this matter with either Commissioner MacTavish or Commissioner Tremblay, or Major Simmins?—A. Major Simmins informed me that he had been discussing with these Commissioners, or these Commissioners had asked him, about such an investigation.

Q. And then Major Simmins informed you prior to this occasion on which you were called into Commissioner MacTavish's office?—A. Yes.

Q. Can you tell me how long prior?—A. No, I cannot do that.

Q. Then was that the only and first intimation which you had of the commission which was to be assigned you? That is, the information which you received from Major Simmins prior to being called into Commissoner MacTavish's office?—A. Yes; but remember Major Simmins did not say there was to be an investigation.

Q. Oh, no; but he mentioned the matter to you?—A. Yes.

Q. And when he mentioned the matter to you, did he suggest that you and he were the ones who were to make the investigation?—A. Now, I am not sure as to that, it is possible.

Q. Can you suggest any other object he would have in discussing the matter with you?—A. No, he probably did; but, as I say, I do not remember it.

Q. Was this the only mention of the matter made to you by any person prior to your being called into Commissioner MacTavish's office?—A. To the best of my recollection, yes.

Q. Then you told us what instructions you received while there. Did you receive any further instructions subsequent to the letter of the secretary of April the 1st before you proceeded with your work?—A. No.

Q. Had you done any work in connection with the matter before you received the instructions of the secretary dated the 1st of April, 1927?—A. No.

Q. The report, I see, is dated April the 12th, 1927.—A. Yes.

Q. So that I can take it that you and Mr. Simmins did your work in connection with this report, including the collection of the necessary data, inspection of premises, staff and so forth, completed the report, had it typewritten and

complete in twelve days—eleven days from the time you received your instructions?—A. No, sir, that report was the result of my experience in the Commission, and my observations of over six years, so naturally we would take less time in preparing and making a report than someone who had been brought in from the outside.

Q. Oh, yes, I appreciate that.

By Mr. Laurin:

Q. That was the first time you were making the investigation?—A. Yes.

Q. You never made any investigation before?—A. Not in the Commission, no.

By the Chairman:

Q. All I am interested in is, irrespective of the advantage you may have had of experience, this report was not prepared, nor the preparation of it commenced, until after you received instructions from the Secretary?—A. No, certainly not.

Q. And, such as it is, and for what it is worth, it was completed, typewritten and so forth, in eleven days?—A. Yes.

Q. In making your report did you exceed your instructions?—A. No.

Mr. BOWMAN: I think that is clear, from the letter.

By Mr. Vallance:

Q. When you were making this report, or when you received notice to prepare a report, were you conscious of the fact that the report you were going to make was to be reported on by some other officials of the Commission?—A. Yes.

Q. You did have that knowledge?—A. Not exactly. We were given to understand; that is, Major Simmins and I were given to understand, by Commissioners Tremblay and MacTavish, that this was a preliminary report; it was a report which would be submitted for consideration, and I understood there would be a sort of round-table conference for discussion; it was not meant to be a final and definite report to be accepted or rejected in whole. It was there for consideration.

Q. Who were the individuals that you expected would be called upon to report on your report?—A. I did not expect that anyone would be called upon to report in that way. I thought it would be in the nature of a round-table conference with the senior members of the staff, the Commissioners, the secretary and Mr. Bland and Mr. Putman and others, and the report would be taken and dealt with piece by piece, and if there was anything good in it, that would be accepted, and if there was anything bad in it, that would be struck out.

Q. That is what you expected?—A. That is what I expected.

Q. Were you disappointed when that was not brought about?—A. Well, as I explained to the Commissioners when I was asked to undertake the job, I said: Well, if you wish me to do it, I will do my best, but it may make things very unpleasant for me and Mr. Simmins in the office; because when one is reporting on a thing like that people may take as personal remarks which are impersonal. However, if you wish me to do it I will undertake it.

Q. When the Commissioners suggested to Mr. Bland and Mr. Putman that they make a report, did you raise any objections to the Commissioners on their attitude?—A. Why, no. I never heard until after they had made their reports.

Q. You did not know then that they had made comments on your report until it was given to the Commission?—A. Well, now, I will correct that. I heard that they were making a report, but I never expressed—it was not my place to express,— any criticism. I never knew the nature of the comment until it had been made some time after.

Q. When was the first opportunity presented to you to look at the report made by Messrs. Bland and Putman?—A. I cannot place a date on that, but it was shortly after it was presented.

By Mr. Laurin:

Q. When you had completed your report, Mr. Kemmis, did you know after that that Mr. Bland and Mr. Putman were making a report?—A. Oh, no, I did not know till after the report had been handed in.

Q. And you prepared the report, you and Mr. Simmins, just the two of you?—A. Yes, that is so.

Q. Within eleven days?—A. As I say, based on our experience and observations, at least on mine.

Q. But you took only eleven days to prepare the report?—A. Eleven complete days, and we were working until eleven or twelve o'clock every night.

By Mr. Bowman:

Q. I should rather gather, Mr. Kemmis, that as soon as you got your instructions you sat down to prepare the report in the light of your past experience?—A. Largely guided by my past experience and observations.

Q. Pardon me for interrupting you, Mr. Kemmis, but what did you do outside of your past experience towards preparing the report, what investigation did you make, or your co-investigator? A. We visited the different branches of the Commission, and we got information. Mr. Simmins, as an investigator, had the information of the duties performed by each member of the staff; he had all that information. I depended on him largely for the organization end of it.

Q. And he on you for the examination end?—A. Yes.

Q. In other words, the two of you had the material for the report when you were requested to make it? And you just simply started out to make your report on your past experience?—A. Well, we had ideas. I had ideas of changes which I thought from business experience, would improve things, and from my experience in the Commission I made the report.

By Mr. Vallance:

Q. In the eleven days did you investigate any of those preconceived ideas you had prior to being asked to make the report?—A. Oh, yes.

Q. During the eleven days?—A. Oh, yes, certainly.

By Mr. Bowman:

Q. Just what did you investigate?—A. Well, it is difficult at this period to give an exact account, but we went into the workings of each branch. We went into the workings of the clerical section of the examination branch and others.

Q. You were already fully familiar with the details of that yourselves?—A. Not fully familiar with all the small details, no; but the general workings of that branch, yes.

By Mr. Laurin:

Q. You mentioned the examination branch?—A. Yes.

Q. Did you ever work in that branch?—A. I have been working there since November, 1920.

By Mr. Ernst:

Q. What about the personal services branch, Mr. Kemmis? What experience had you with that and its operation?—A. Just as an examiner.

Q. I am referring to its internal organization. Your work as an examiner would really be in examining papers?—A. Oh, no, that is only a very small part of an examiner's work.

Q. What is your work as an examiner?—A. Personnel employment agent, really; roughly speaking. We have to keep in touch, in a sense, with the departments assigned to us. We have to know their needs. When a requisition comes in an examiner has first, to draft an advertisement which has to be approved. He has to select the field for advertising and all that.

Q. But you would not have any direct personal knowledge of the inner workings of the personal services branch?—A. Well, as a general rule, no.

Q. In a general way, but I mean in a particular way, a detailed way.—A. We have to know what is going on, how it is administered.

By Mr. Bowman:

Q. You were going to tell me just what else you did actually as an investigator?—A. Well, it is pretty difficult to say now, but as far as the investigation was concerned, Mr. Simmins was an investigator and knew the organization and working of the Commission.

Q. And he had that knowledge in hand and in mind at the time he was appointed?—A. Oh, yes, he must have had.

Q. And you had similar knowledge of the examination end in mind at the time you were appointed?—A. Quite so, yes.

Q. And, consequently, as a matter of fact, what you both did was to incorporate in this report your ideas that you had at that time without making any detailed investigation into the workings of the Commission?—A. No, we went to each branch and found out how things were going and made suggestions to them, and we asked for suggestions and got suggestions.

Q. Well, now, would you tell us what you did do, then?—A. Well, as I say—

By the Chairman:

Q. Take them one at a time. What did you do so far as the organization branch is concerned? Did you go to Mr. Putman, the head of the organization branch?—A. No, I did not.

Q. Did you go to anybody in the organization branch?—A. I left that to Mr. Simmins. He worked in the organization branch.

Q. Then nobody went to the examination branch because you were thoroughly familiar with that? Is that correct?—A. I might say I asked Mr. Bland if he could give me any suggestions, and Mr. Bland said that he thought I had better make my own investigation.

Q. Yes. Then did you make any further investigation of the examination branch after that one-minute conversation with Mr. Bland?—A. I went into the duties with the examiners, yes.

By Mr. Bowman:

Q. You did not need to do that; you knew that yourself, did you not?—A. Well, I got further information.

Q. Were not you, at that time, fully cognizant of the duties of an examiner?

By the Chairman:

Q. After being there since 1920, if there was one thing you knew about the whole business it would be the duties of examiners.—A. But there may be something special.

By Mr. Bowman:

Q. What was there special?—A. I wanted to find out the time taken in the general examinations, and so forth.

Q. Didn't you know that?—A. No, I wouldn't know that in connection with general examination work.

By the Chairman:

Q. Whom did you see in the examination branch to check up the time taken, and so forth on examination?—A. I think I saw all the examiners. I cannot say definitely now.

Q. Every man swears to his best recollection. Then that completes what you did in the examination branch. Now, let us take the secretarial branch. What did you do there, if anything, you personally?—A. I do not know what I did there.

Q. All right. Then what did you do in the assignment branch?—A. In the assignment branch?

Q. Yes.—A. We—

Q. Never mind "We", you?—A. I went into the workings of the assignment branch.

Q. Who did you see there?—A. The head assignment clerk.

Q. Yes, and discussed with him how they function?—A. How they functioned and discussed the question of amalgamating or making a certification branch, mentioned that to him.

Q. Now, then, I have covered the examination branch, the organization branch, the secretarial branch and the assignment branch. Was there a separate certification branch, then?—A. No, there was not.

Q. There was none then?—A. No.

Q. Or were they at that time in the assignment branch, combined with the assignment branch?—A. No, they were separate. It was proposed in our report to combine the statistics branch and the promotional branch of the personal services, all making one certification branch.

Q. That has been done, as a matter of fact?—A. No.

Q. Has it not?—A. No.

Q. Well, then, we can leave out the certification branch, because there isn't any.

Q. Then the personal services branch, who did you interview there?—A. There I saw the clerk in charge of statistics, that was all.

Q. Now, then, have I covered the whole field?—A. I saw Mr. Brown, or the head of records, Central Registry; then the head of the clerical sections.

Q. And in each of these cases you asked those men questions on the information which you desired to know relative to the operation of those branches?—A. Yes.

Q. Then based on the information which you obtained, in the manner which you have outlined, plus your own experience and knowledge gained by seven years in the Commission, you sat down and prepared this report?—A. Yes, Mr. Chairman. When I say I sat down and prepared it —

Q. I mean you along with Major Simmins?—A. Yes.

By Mr. Vallance:

Q. Mr. Kemmis, in your examinations did you find out any new ideas that you did not have when you started your investigation, and which you incorporated in your report?—A. Why, yes.

Q. So that your report was not based entirely on your experience in the Commission?—A. No.

Q. You found something out in your investigation that you placed in that report?—A. Yes.

The CHAIRMAN: Thank you, Mr. Kemmis.

The WITNESS: There was some question, I believe, as to my standing in the legal profession.

The CHAIRMAN: No question in this Committee.

Mr. BOWMAN: That is quite all right, Mr. Kemmis.

Witness retired.

The CHAIRMAN: Someone asked that Mr. Grierson be called.

Mr. ERNST: Mr. Chevrier has gone out. I can make a statement myself. There is only one thing I wanted to clear up. It might appear from the statement which I made the other day that Mr. Grierson came and volunteered the information which I said had been made available to me. The contrary is the case. He came at my request.

The CHAIRMAN: So far as this Committee is concerned, we are glad to get information from any source we can.

Mr. ERNST: The information came to me from a member of the House of Commons, confidentially, and, as a result of such information, I requested Mr. Grierson to come to see me.

The CHAIRMAN: I would consider anybody who offers to volunteer information to this Committee as acting *pro bono publico*, and if he is not so acting we will determine the fact before we get through with him.

Mr. Chevrier, do you want Mr. Grierson in connection with this matter.

Mr. CHEVRIER: Not to-day, Mr. Chairman.

The CHAIRMAN: Anything else in connection with this Kemmis-Simmins report, so that we can clean that up while we are on it?

Mr. VALLANCE: Is Mr. Simmins now in the service?

The CHAIRMAN: No.

Mr. VALLANCE: He is not available if we did want him?

The CHAIRMAN: Yes, I have his address.

Mr. VALLANCE: So, if we do need him, we will be able to get him?

The CHAIRMAN: Is there anything else you would like to take up this morning?

Mr. MACINNIS: Mr. Chairman, the Hon. Mr. Black, the Speaker, was here the other morning, and I think Mr. Putman was going to reply to some of the questions that he raised. I have the files in that connection, if Mr. Putman is here this morning, and if he wishes to go into the matter, we could deal with it before one o'clock.

The CHAIRMAN: Mr. Putman, would you like to deal this morning with the matter that Mr. Black raised here the other day?

Dr. ROCHE: There is just one phase to it, so far as I am concerned. Mr. Black merely made the statement of having an interview with me last July. He went away with a misapprehension, according to his evidence.

The CHAIRMAN: Before you go into that subject. I wonder if the Committee would agree with my view? Of course it is your aggregate view that must prevail; but I thought that when each member of the Committee had finished bringing in material before this Committee that we should then ask the Civil Service Commissioners, or any of the officials, the chief officials of the Commission, such as Mr. Bland, Mr. Putman and Mr. Foran, to come to the Committee

and make any statement, or give us any evidence they desire to give before we close our sittings. Now, that being a plan of procedure I had in mind, subject to approval, might it not be just as well for them to reserve anything that they want to deal with until that time so that we can get it all in sequence rather than getting a piece here and another piece somewhere else, so that if Dr. Roche and any of the others who have heard evidence given here to which they would like to reply would please make a note of it, ample opportunity will be given to them to make any statement they wish before the Committee.

Mr. MacInnis: They should be formally notified because some of them are not here.

Mr. Ernst: I think the essential thing is to expedite the conclusion of taking the evidence, so that we can settle down to a consideration of our report.

Mr. Chevrier: I am quite agreeable to shortening it up as as fast as you like.

The Chairman: Is there any matter that any member of the Committee would like to bring before the Committee to-day.

Mr. Bowman: I have quite a number of files that I would like to go over. I would like to have the Chairman of the Commission and Mr. Tremblay and Mr. MacTavish present so that they could perhaps clear up any particular point that arises. I would like to get them started to-day.

While we are waiting for Mr. Tremblay, I might suggest to the Committee that I purpose putting the facts on the record as briefly as possible, and if any member of the Committee takes exception I will be glad if he stops me and gets each point cleared up as we go along.

The Chairman: How long do you anticipate it will take to put in the evidence you have in connection with those files?

Mr. Bowman: I think it can be done at one sitting.

The Chairman: That will be to-morrow morning?

Mr. Bowman: Yes, probably less than that. I will come to the point in each case very quickly.

The Chairman: Are there any other members of the Committee who have any specific files which they wish to bring before the Committee?

Mr. Ernst: I have one file which will take but a very short time. I anticipate one other. I have not completed my examination of it.

Mr. MacInnis: I have some files in connection with dissenting judgments.

The Chairman: You are really not going through the files in detail, you are just going to put in the summary. Do you want to go into the different files?

Mr. MacInnis: I have to examine the files to find out.

Mr. Bowman: I think we should try to get our evidence in, if possible, by Thursday.

The Chairman: We will have two sittings to-morrow. Will you be ready to proceed on Thursday with the material you want to bring in, Mr. Chevrier?

Mr. Chevrier: Yes. If I am not ready by Thursday, I will let it go.

The Chairman: Then we will be ready to hear from the Civil Service Commissioners and officials Thursday afternoon or Friday morning, at the latest, in order to close up the evidence in this matter.

Mr. Bowman: It is, of course, understood that any member of the Committee is at perfect liberty to bring out anything in the meantime.

The Chairman: I am just trying tentatively to lay out a schedule.

Dr. Roche: I think it would not be an unreasonable request, if before any of these individual files are to be taken up with the Commissioners and the staff, that we be made acquainted with the particulars, otherwise I feel that it

will not expedite matters because we cannot recollect everything quite clearly. We would like to have the opportunity to peruse the files that are going to be specifically dealt with.

Mr. BOWMAN: Well, that is quite satisfactory as far as I am concerned. What I intended to do in connection with these files was to go through them and come to a certain particular point in each case, then let anybody who is being examined clear up his own mind on the point; if he would prefer to look at the file all well and good. I do not want Dr. Roche or anybody to give evidence on a subject with which he is not familiar, and there will be no close checking into details at all.

Hon. Dr. W. J. ROCHE, recalled.

Mr. BOWMAN: The file that I want first to refer to is the appointment of a Postmaser at Sutton. The file number is P.O. 38238G. As I said, I am going to put the facts on file and if any member of the Committee wants to clear that up as we go along I will be glad if they do so.

On October 5, 1927, the Commission were notified by Mr. Coolican, the Acting Deputy Postmaster, of the vacancy in this office, giving cause of dismissal. On September 27, 1927, the position was advertised by the Post Office Department, prior to their notifying the Commission of the vacancy: the last date for receiving applications, October 11, 1927: applicants to be "able to read and write French and English fluently."

The CHAIRMAN: Is this Sutton, Ontario, or Sutton, Quebec?

Mr. BOWMAN: Sutton, Quebec. November 28, 1927, the department informs the Commission "Not yet in a position to report." Then the Commission at various dates from then on, after a considerable length of time, asked the department for reports, and the dates that these requisitions went forward are as follows:—December 27, 1927; January 18, 1928; February 9, 1928; March 12, 1928; April 10, 1928; May 23, 1928; June 21, 1928. That is from December 27, 1927 to June 21, 1928, there had been sent seven requests for a report to the department, to none of which there appears to be any reply on file.

On June the 29th, 1928, the report of the Post Office Inspector is forwarded to the Postmaster General. That is the report of the District Superintendent which is dated May the 5th, 1928, recommending in order of merit, from the Post Office service standards R. G. Crowell and Robert Hill, a memorandum to the effect being endorsed on the report, that both have a slight knowledge of French. Apparently Hill was entitled to the soldiers' preference.

On July 9, 1928, the examination branch recommends the appointment of Mr. Hill, who is entitled to the soldiers' preference, memorandum signed only by Dr. Roche and initialled by J.C.G.H., apparently Mr. Herwig, the Legion representative.

The CHAIRMAN: You have been making a statement from the file. I suppose, Dr. Roche, you are willing to accept that as a statement of record on the file?

The WITNESS: Oh, yes, I recall that.

Mr. BOWMAN: That completes the formal record in the matter, and Dr. Roche may have the opportunity of looking over the file as to what happened subsequent to that.

Then file No. P.O. 37497. The heading here is W. A. Stewart.

Also P.O. file No. 37501, Florent Corriveau; also file P.O. No. 39912, Beaumont.

File O.S. 26896, *re* Soucy.

File O.S. 30143, *re* Albert Beauchesne.

File No. P.O. 37664, Octave Normand.

The CHAIRMAN: That refers to the Postmastership at Fort Coulongue, Quebec.

Mr. BOWMAN: File O.S. 31103, Joseph Mathieu.

P.O. File 37866, Charles R. Nash.

The CHAIRMAN: That is *re* Postmastership at Killam, Alberta. Now, those files will be handed to the clerk, and he has instructions to make them available to the Civil Service Commissioners and have them available to the Committee to-morrow morning at 11 o'clock.

The Committee adjourned at 1 p.m. to resume on Wednesday, April 27, at 11 a.m.

HOUSE OF COMMONS,

APRIL 27, 1932.

The Select Special Committee to inquire into appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 11 a.m., Mr. Lawson presiding.

The CHAIRMAN: Gentlemen, I have received in to-day's mail a communication signed by the President and Secretary of the Halcyon Club, being the special organization of women civil servants, at Ottawa, and attached thereto are certain submissions, which I will file with the Clerk for the information of the members of the Committee. The document covers some four full pages. I shall not take the time at the moment to read it.

Mr. BOWMAN: Will you let me have the Sutton file, Mr. Bland, please.

The CHAIRMAN: I think at the adjournment yesterday Mr. Bowman was asking Dr. Roche some questions, and had proceeded as far as the formal parts were concerned, giving the Commissioners an opportunity to review the file. Would you like to go on from there, Mr. Bowman?

Mr. BOWMAN: Yes.

Dr. W. J. ROCHE, NEWTON MACTAVISH, J. E. TREMBLAY, and C. H. BLAND, recalled and examined jointly.

The CHAIRMAN: Mr. Bowman, when you change from asking one witness a question to some other witness will you please name your witness?

Mr. BOWMAN: Yes. I am not sure, Dr. Roche, just where I left off at the time of adjournment yesterday, but I will go back to June 29, 1928, to make sure.

On June the 29th, 1928, the District Superintendent had forwarded to the Postmaster General a report dated May 15, 1928, recommending in order of merit from the Postal Service standpoint R. G. Crowell and Robert Hill, both with a slight knowledge of French; Mr. Hill, apparently having the benefit of the soldiers' preference. On July 9, 1928, the Examination Branch recommend the appointment of Mr. Hill who is entitled to the soldiers' preference; memorandum signed only by Dr. Roche and initialled by J. C. H. G., apparently Mr. Herwig, the Legion representative.

Now, is there any reason, Mr. Tremblay, why that memorandum should not have been signed by you at that time?

Mr. TREMBLAY: Yes, there is.

Mr. BOWMAN: What was the reason?

Mr. TREMBLAY: Because the Post Office department asked me to hold the file pending some investigations they were making as to the suitability of the site of one of the candidates.

Mr. BOWMAN: And, Dr. MacTavish, any reason why you should not have signed the memo. at that time?

Dr. MACTAVISH: None that I know of.

The CHAIRMAN: This memo. you are speaking of, is this a Minute of the Civil Service Commission?

Mr. Bowman: Yes. At that time, Mr. Tremblay, did you convey to Dr. Roche the fact that you had this request to delay proceedings?

Mr. Tremblay: I do not think so. I asked them to put it in writing and I left the file on the desk in my room awaiting that letter.

Mr. Bowman: And was it put in writing?

Mr. Tremblay: It was later.

Mr. Bowman: Later on?

Mr. Tremblay: Yes.

Mr. Bowman: But not at that time?

Mr. Tremblay: Not at that time, no.

Mr. Bowman: And you did not call the attention of the Chairman of the Commission to the fact that you had received a request to delay the matter?

Mr. Tremblay: I do not think so, because I expected that this letter would come covering it and then the file would be submitted.

Mr. Bowman: Then on October the 12th, 1928, about three months later, there appears on the file a memo. to the Secretary: "Subject, Postmastership, Sutton, P.Q."

The memo. is dated October 12, 1928, Mr. Chevrier.

> Attention is drawn to Examination Branch memorandum of July 9th last wherein the appointment of Mr. Robert Hill, O.A.S., to the above position was recommended.
>
> A communication is now at hand from the Acting Deputy Postmaster General requesting that action towards the selection of a new Postmaster in this case be suspended, pending the receipt of further information from the Post Office Department.
>
> Respectfully submitted for the information of the Commissioners.

And on that there is the word "Noted J.E.T." I presume those are your initials, Mr. Tremblay?

Mr. Tremblay: Yes.

Q. And "N. MacT." I presume those are your initials, Dr. MacTavish?

Dr. MacTavish: Yes.

Mr. Bowman: And also this memorandum:

> I do not know why this file has been held for the last 3 mos. without being passed on by the Commissioners. It has only been placed before me this morning, Oct. 25, and in the meantime the Dept. has placed the office in charge of the least competent of the two. W.J.R.

I presume those are your initials, Dr. Roche?

Dr. Roche: Yes.

Mr. Bowman: Can you explain to the Committee, Dr. Roche, the reason why that memo. was placed on this Minute?

Dr. Roche: Well, as I say there, there were three months elapsed and there was no explanation on the file as to where it was or who was responsible for the delay, and I thought—Post Office being a department over which I had immediate supervision—that I was entitled to some explanation as to where the file was or had been, and the cause of the delay. I wanted to place the responsibility in the proper place, and I thought, of course, that it was one of the delays that probably we might, I did not know whether it came within the class where we might be blamed for the delay, and so I put that notation on the file, and I think that was followed up by a memorandum by the secretary.

[Sutton, P.O. case.]

Mr. BOWMAN: Yes, the memorandum to which you refer, I presume, is the memo. from the secretary to Mr. Bland, dated 8th November, 1928:

> I think, in view of the Chairman's memo., you should attach a memorandum to this file showing where and why it was held.

Dr. ROCHE: That is it, yes.

Mr. BOWMAN: Whose initials, "W.F.," who would that be?

Dr. ROCHE: Mr. Foran.

Mr. BOWMAN: And below that we have a further memorandum signed by C.H.B. I presume those are your initials, Mr. Bland?

Mr. BLAND: Yes.

Mr. BOWMAN: Directed to Mr. Bouchard:

> For report please, as above, for the period June 30 (when D.S. report—

What is D.S. report?

Mr. BLAND: District Superintendent's report.

Mr. BOWMAN:

> (When D.S. report was received)—Oct. 12—(when file was forwarded to me).

Following that memo. of yours, Mr. Bland, I presume Mr. Bouchard made the report which I see on file?

Mr. BLAND: He did.

Mr. BOWMAN: This is the memo. to Mr. Bland.

The CHAIRMAN: What date?

Mr. BOWMAN: Under date of November 16, 1928. It is under this caption:

> Delay in submitting to Commissioners report on Postmastership at
>
> Sutton, P.Q.
>
> Central Registry records indicate that the file was charged to me on July 7, 1928; my report was completed on the 9th, but delayed two days longer for the signature of Legion representative. On the 11th the file cover was addressed "J.R.A.B.," but there is no record of this charge-out with Central Registry.

The CHAIRMAN: Excuse me, whose are those initials?

Mr. BLAND: Mr. Baril, head French examiner.

Mr. BOWMAN: Continuing:

> Such circumstances naturally warrant the belief that the file was dormant in my office for the period July 11 to October 12: perhaps inadvertently placed in the filing cabinet only to show up again when the department's request to suspend action was received; or better still "borrowed" without being charged, as is often the case, and held up pending receipt of the department's letter of October 10 which caused it to be brought to my attention.
>
> The first mentioned condition could not have occurred, as the filing cabinet is gone through at least once a week in checking up B.F.'s,—

What are B. F's?

Mr. BLAND: Files to be brought forward.

Mr. BOWMAN: ". . .and were the file in question overlooked once, or even twice, it would hardly seem credible that it would ten or a dozen times.

There is no earthly reason why I should wilfully delay a matter of this nature and the proof that my report was ready between the 9th and the 11th of July is clearly indicated in the fact that it is initialled by Mr. Herwig of the Canadian Legion, who was replaced shortly after that date by Mr. Thomas.

It is observed that between the period, July 11 and October 12, another communication was received from the Post Office Department in connection with this appointment and placed on file on October 31. This again would indicate that the file was not in my possession, as upon receipt thereof action would have been taken then and the matter not delayed until October 12 when the last letter from the department was received.

I can only, therefore, conclude, that whoever had the file held it until the looked-for communication of the department to suspend action arrived.

(Sgd.) J. L. Bouchard.

November 16, 1928."

Now, with respect to that report, Mr. Bland, that had been specially asked for because the file had apparently disappeared for some period?

Mr. Bland: Yes.

Mr. Bowman: For a period of approximately three months?

Mr. Bland: Yes.

Mr. Bowman: And you had asked that the matter be specially inquired into by Mr. Bouchard?

Mr. Bland: Yes.

Mr. Bowman: So far as the records of the Commission were concerned, as to the possession of the file in the office of the Commission during this period, there was really no record of it being in any particular person's office.

Mr. Bland: I think that is correct.

Mr. Bowman: Up until this time?

Mr. Bland: Yes.

Mr. Bowman: I might call the attention of the members of the Committee to the concluding paragraph of Mr. Bouchard's letter:—

> I can only, therefore, conclude that whoever had the file held it until the looked-for communication of the department to suspend action arrived.

Now, I find endorsed on that report of Mr. Bouchard's this memorandum:—

> I accept responsibility for holding this file in my office. J. E. T.

I suppose, Mr. Tremblay, those are your initials?

Mr. Tremblay: Yes.

Mr. Bowman: Now, Mr. Tremblay, would you kindly explain to the Committee why you held this file out?

Mr. Tremblay: Well, as I said, I had some representations from the department to the effect that they were making some further inquiries as to the site offered of one or more of the candidates, and I called for the file. I think it was then in the possession of Mr. Baril, and they asked me at the time to hold the file, not to proceed with any appointment, and I expected that this letter would come forward much sooner, and I must say that I forgot the file, and it is only after the letter of the 10th when they got it.

Mr. Bowman: Then you say, Mr. Tremblay, that you quite frankly admit that you overlooked the matter and forgot that you had the file in your possession?

Mr. Tremblay: Yes.

Mr. BOWMAN: You have referred, Mr. Tremblay, to a letter of October the 10th?

Mr. TREMBLAY: Well, I think that is the date, asking for the suspension.

Mr. BOWMAN: The date is correct, and the letter on file of October the 10th, 1928, reads as follows,—and I might say there is a notation on it, the usual receiving notation, "October 11, 1928":—

The Secretary,
Civil Service Commission,
Ottawa.

DEAR SIR,—Referring to previous correspondence regarding the vacant postmastership at Sutton, Que., your file PO-38238, permit me to ask you to kindly suspend action towards the selection of a new postmaster pending the receipt of further information from this department.

This matter has been brought to the personal attention of the Postmaster General.

Yours sincerely,

(Sgd.) P. T. COOLICAN,
Deputy Postmaster General, Acting.

Now, when this letter came on October 11, it came to the hands of J. L. B. Is that Bouchard?

Mr. TREMBLAY: That is J. L. Bouchard.

Mr. BOWMAN: And when that letter did come in you brought the file forward?

Mr. TREMBLAY: Well, I did not bring it out myself, but they got it out of my office.

Mr. BOWMAN: They got it from your office?

Mr. TREMBLAY: I have no recollection of it.

Mr. BOWMAN: You had not been aware of the receipt of this letter of October 10th until you were asked for the file?

Mr. TREMBLAY: Well, I was not asked personally. I did not give out the file. Somebody took it out of my office.

Mr. BOWMAN: Is there anything significant at all in Dr. Roche's remarks that,—

I do not know why this file has been held for the last three months without being passed on by the commissioners?

Mr. TREMBLAY: I think Dr. Roche is quite right.

Mr. BOWMAN: You think he was quite right?

Mr. TREMBLAY: Yes.

Mr. BOWMAN: And your explanation of it is that it was inadvertantly overlooked by you?

Mr. TREMBLAY: I expected to get a letter within a few days from the department and they would come and get the file in my office. I forgot all about it.

Mr. BOWMAN: The reason you expected to get a letter was because of verbal or oral conversations which you had with someone in the Post Office Department?

Mr. TREMBLAY: Correct.

Mr. BOWMAN: And that conversation you did not pass on to Dr. Roche or Dr. MacTavish?

Mr. TREMBLAY: No, because I thought that would be confirmed by a letter, when the file would be submitted to the three Commissioners in the ordinary way.

[Sutton, P.O. case.]

Mr. BOWMAN: And bearing this in mind, Mr. Tremblay, that from December 27, 1927, to June the 21st, 1928, no less than seven requests had gone forward from the Commission to the department asking for a report.

Mr. TREMBLAY: Yes.

The CHAIRMAN: By whom were those requests made? To Dr. Roche, who was in charge of the Post Office department?

Dr. ROCHE: By the secretary of the Commission.

Mr. CHEVRIER: Is that the reason of the check-up?

Mr. TREMBLAY: Yes, those are follow-up letters that are sent in every case. I think that is what they are.

Dr. ROCHE: Yes.

Mr. BOWMAN: Now, on July the 9th, the Examination Branch had recommended the appointment of Mr. Hill.

Mr. TREMBLAY: Yes.

Mr. BOWMAN: And you undertook, on your own authority as a Commissioner, and relying on a verbal communication which you had from the superintendent's office, to hold up the appointment?

Mr. TREMBLAY: Well, I do not think it was the Superintendent's Office. My recollection is it was through the Deputy Minister's Office.

Mr. BOWMAN: Through the Deputy Minister's Office?

Mr. TREMBLAY: Yes.

Mr. BOWMAN: And Dr. Roche, the Chairman of the Commission, pointed out that in the meantime the man who had the inferior position—

Mr. TREMBLAY: Well, of course, I had no knowledge of that.

Mr. BOWMAN: Well, apparently Dr. Roche is aware of that.

Mr. TREMBLAY: Well, he may have been aware at that time, but I was not anyway.

Mr. BOWMAN: Do you think, Mr. Tremblay, after giving the matter full consideration, that that was the proper course of procedure for you to follow after the Commission had made a definite recommendation as to the standing of these men, that you should, on your own responsibility, without communication with the other members of the Commission, hold up this matter until there was a further request for a suspension of the appointment?

Mr. TREMBLAY: Well, there was a request made to me, and I expected that would be confirmed by a letter.

Mr. BOWMAN: Yes, but the other members of the Commission—

Mr. TREMBLAY: Certainly, if I had understood that it was going to take that long, I would have brought it to the attention of my colleagues. I thought it was only a matter of a few days before the facts would be placed before the three Commissioners.

Mr. BOWMAN: Do you remember General Clark raising the matter in the House, in which he made a charge that there was collusion between the members of the Commission and the Post Office department with respect to this appointment?

Mr. TREMBLAY: I know he said something to that effect, yes.

Mr. BOWMAN: It does, to an outsider looking at the file, raise some ground at least of, what shall I say,—

The CHAIRMAN: Suspicion.

Mr. BOWMAN: Suspicion, perhaps.

[Sutton, P.O. case.]

Mr. TREMBLAY: Well, the Post Office department asked us not to make an appointment. Personally, I do not see that we should proceed when we are asked definitely by a department not to make one, especially when they say "We are investigating some further matter."

The CHAIRMAN: Who was the person in the Post Office department who communicated with you, Mr. Tremblay, and asked you to hold the matter up?

Mr. TREMBLAY: Well, I do not recall exactly. Most of the communications from the Deputy Minister's office generally came through Mr. Beaulieu.

Mr. BOWMAN: But you would not care to say that on this occasion it was Mr. Beaulieu who communicated with you?

Mr. TREMBLAY: No.

Mr. BOWMAN: The Post Office department is one of the departments which is under the specific charge and direction of Dr. Roche, the Chairman of the Commission?

Mr. TREMBLAY: Yes, sir.

The CHAIRMAN: Has it been customary, prior to this time, for the Post Office department to communicate with you instead of the Commissioner who was directly charged with their responsibility?

Mr. TREMBLAY: Oh, yes, and they do yet.

Q. Communicate with you?—A. Yes, if it is a matter in the Province of Quebec, especially.

Q. Instead of with Dr. Roche?—A. Well, I do not know. They may communicate with Dr. Roche too, but I do not know.

Q. So that the Post Office department, even now, still communicates with you if they want appointments held up?—A. Oh, well—

Q. Even if Dr. Roche is the Commissioner who is particularly charged with the department?—A. Not only if they want an appointment held up.

Q. That is the only thing I am interested in at the moment?—A. I cannot say whether I have received any such requests recently. I might be able to check up on that for you.

Q. Well, could you tell me if you have received any requests from the department with reference to the appointment of postmasters since July 28, 1930?—A. Oh, yes.

Q. Can you tell me one?—A. To hold?

Q. Either to hold it or to appoint someone, or anything else?—A. I can give you a dozen, if you like.

Q. All right, give me one?—A. Beauceville East.

Q. Who was the person in the department who communicated with you in connection with Beauceville East?—A. Mr. Beaulieu did several times, and the Minister himself.

Q. And the Minister himself?—A. Yes.

Q. And I presume there would be some record of that on the file?—A. Not necessarily.

Q. What was the nature of those communications?—A. Well, there was some question about the appointment of a man there, and some discussion between the Commission and the department as to the qualifications of one of the candidates, his residential qualifications. I have received several letters from the department personally.

Q. I am not speaking about letters?—A. Well, conversations.

Q. Letters would not come addressed to you in any event, as a Commissioner?—A. Oh, some, yes, and conversations.

Q. And would there be any record of those conversations on file?—A. I do not think so.

Q. Is one of the cases in which the Minister communicated with you personally in connection with it?—A. Yes, it is.

Q. That is the Hon. Mr. Sauve, the present Postmaster General?—A. Yes.

Q. Would you give me another one, please?—A. Well, I will have to think it over. I remember this one because it is still going on.

Q. Well, if you think of any other one, will you let me have it?—A. Yes.

The CHAIRMAN: Mr. Bland, will you see that I get the file in this case which has been mentioned. I would like to have a look at it.

Mr. BLAND: Yes, Mr. Chairman.

Mr. LAURIN: Did you understand, Mr. Tremblay, that you had, since 1926, a verbal agreement between you and the other Commissioners that you had to see to matters particularly concerning the Province of Quebec?

Mr. TREMBLAY: None at all.

Mr. BOWMAN: Then I find on this file this letter, under date of Ottawa, May 23, 1929:—

WILLIAM FORAN, Esq.,
Secretary, Civil Service Commission,
Ottawa.

DEAR MR. FORAN:

Re Sutton, Que., Post Office

Will you please advise me whether an appointment has been made by the Civil Service Commission of a Postmaster to fill the vacancy created by the dismissal of Mr. F. A. Olmstead.

I note that the Examination Branch of the Commission on July 9, 1928, recommended the appointment of Robert Hill.

According to the return herein, the recommendation of the Examination Branch was approved by the Chief Commissioner and by Mr. Herwig of the Canadian Legion on October 25, 1928.

Is it necessary to have this recommendation approved by the other Commissioners? If so, why have they not approved the recommendation?

I note that there is a request dated October 10, 1928, from the Post Office Department to suspend action towards the selection of a new Postmaster. Do the Commisisoners treat such a request as justification for a deferred action extending over a period of approximately eight months?

Is it the practice of the Commission to permit Ministers to make appointments, as in the present instance, which clearly come within the provisions of the Civil Service Act?

Has any action been taken, or protest made, by the Commissioners with reference to the illegal appointment of Mr. Crowell by the Postmaster General, extending now over a period of approximately two years?

I propose to go into this matter on the Civil Service estimates, and would therefore appreciate it if you would favour me with an early and full statement of the situation herein.

Yours truly,

(Sgd.) J. A. CLARK.

On file there is a reply dated May 25, 1929:

DEAR GENERAL CLARK,—In reply to your letter of the 23rd inst., I am directed to inform you that appointments made under the Civil Service Act, that is by the Civil Service Commission require the concurrence of at least two Commissioners. In the case of the appointment to the Sutton Postmastership, only one Commissioner has so far signified his approval of the appointment of Mr. Robert Hill.

[Sutton, P.O. case.]

Can you tell me, Mr. Tremblay, any reason why from July 9, 1928, when the Examination Branch recommended the appointment of Mr. Hill—the memo. was signed by Dr. Roche—up until May 25, 1929, you had not also signified your approval?

Mr. TREMBLAY: Because the department had asked me to suspend action, not to make an appointment.

Mr. BOWMAN: And Dr. MacTavish, what do you say?

Dr. MACTAVISH: The same answer.

Mr. BOWMAN: I will continue the letter:—

It has been the practice of the Commission since the present Civil Service Act was passed to comply with the wishes of a Deputy Head when a request is made to suspend action on a competition for appointment in his Department. It has further been the practice of the Commission to allow emergency appointments to be made by the Department, particularly in the case of Postmasterships, pending the result of a competition to fill the position permanently. In this connection, I may point out that the Civil Service Act provides for such appointments for a period of thirty days, or in places outside the Dominion of Canada, for a period of ninety days, (Section 39, Chap. 22, R.S.C. 1927). Whether or not the practice followed in the Post Office Department of filling Postmasterships for a considerable length of time before the competition is held is legal, is a matter to be determined by the Law Officers of the Crown, and you will recollect that the Minister of Justice promised to have a ruling on this point submitted to Parliament.

In reply to your inquiry regarding the appointment of Mr. Crowell, I may say that no definite protest has been made by the Commissioners, as his appointment does not appear on our files. The Commission has, however, protested against the delay of the Department in furnishing the report required in connection with the competition for the appointment of a Postmaster,

Yours very truly,

Secretary.

Brig. General J. A. Clark, M.P.,
House of Commons,,
Ottawa, Ont.

The CHAIRMAN: At the date of that letter, as a matter of fact, such competition as is held, if it may be called competition, had been held two years before that.

Mr. BOWMAN: I find another letter on file dated May 27, 1929, addressed to Brig. Gen. J. A. Clark, M.P., House of Commons, Ottawa. This, by the way, I might point out to members of the Committee, is a further reply to the same communication received from General Clark:

Dear General CLARK, In reply to your letter of the 23rd inst., I am directed to inform you that appointments made under the Civil Service Act, that is, by the Civil Service Commission, require the concurrence of at least two Commissioners. In the case of the Sutton Postmastership, none of the Commissioners had passed upon the case when the letter of the Department was received on October 11th, asking that action be suspended. One Commissioner has since signified his approval of the appointment of Mr. Robert Hill.

It has been the practice of the Commission since the present Civil Service Act was passed to comply with the wishes of a Deputy Head when a request is made to suspend action on a competition for appointment in his department, although several times the Chairman has refused his

approval to such suspension when the reasons given by the department were not, in his opinion, sufficient. It has further been the practice of the Commission to allow emergency appointments to be made by the department, particularly in the case of Postmasterships pending the result of a competition to fill the position permanently.

Again I would point out that the competition had been held many months previously.

In this connection, I might point out that the Civil Service Act provides for such appointments for a period of thirty days, or in places outside the Dominion of Canada for a period of ninety days. (Section 39, Chap. 22, R.S.C. 1927). Whether or not the practice followed in the Post Office Department of filling Postmasterships for a considerable length of time before the competition is held is legal, is a matter to be determined by the Law Officers of the Crown, and you will recollect that the Minister of Justice promised to have a ruling on this point submitted to Parliament.

In regard to your inquiry regarding the appointment of Mr. Crowell, I may say that no definite protest has been made by the Commissioners, as his appointment does not appear on our files. The Commission has, however, protested against the delay of the department in furnishing the report required in connection with the competition for the appointment of a Postmaster.

Yours very truly,

Secretary.

Now, I note on the file, "Approved by Commissioners Tremblay and MacTavish." You approved of that letter, Mr. Tremblay?

Mr. TREMBLAY: Yes, sir.

Mr. BOWMAN: And you, Dr. MacTavish?

Dr. MACTAVISH: Yes.

Mr. TREMBLAY: That is the only letter that was sent. The letter you read before was merely a draft.

Mr. BOWMAN: Why was this letter not also submitted for the approval of the Chairman?

Mr. TREMBLAY: I do not know whether it was or not.

Mr. BOWMAN: Do you remember, Dr. Roche?

Dr. ROCHE: I think you will find on file there a letter from myself to General Clark, which was written as a result of the first draft letter. I took exception to the wording of that draft letter, and I wanted General Clark to be placed in possession of the full facts; and I also wrote to the then Secretary of State, Mr. Rinfret, to the same effect.

Mr. BOWMAN: On May 28, 1929, there is a letter directed to:—

DEAR COLONEL CLARK,—In reference to your inquiries as contained in yours of the 23rd instant, and the reply thereto by the secretary, authorized by my colleagues, in order to give you a fuller understanding of the situation I would point out that, on March 18, 1926, prior to the appointment of my present colleagues, in connection with requests from departments to suspend action in certain cases pending further notification from the department concerned, I placed on file a note to the following effect: "that when the Commission is requested to suspend action some good reason should be assigned, because the Commission is frequently blamed for the delay." This note was approved by my then colleague, Col. LaRochelle.

On a number of occasions since the appointment of my present colleagues, I have refused to suspend action at the request of the department when no reason whatever was assigned for the delay, in accordance with the ruling of the Commission of March 18, 1926, but my colleagues on each occasion complied with the request. In justice to myself I thought it only right that you should be fully informed on the subject, as the official letter did not contain the above information.

Yours sincerely,

(Sgd.) W. J. ROCHE.

That is, Doctor, if I understand that communication, you refused to accept a request for suspension of an appointment unless there was some good reason?

Dr. ROCHE: That is the principle, I think, that the Commission should work on.

Mr. BOWMAN: And that is what you did work on?

Dr. ROCHE: That is the principle I worked on.

Mr. BOWMAN: And what you worked on in this case?

Dr. ROCHE: Yes.

Mr. BOWMAN: And was there, during this correspondence on those files, any good reason given for the suspension of this appointment?

Dr. ROCHE: Nothing except that letter from the department of October the 10th, I think it is, and they did not state—they may have used the expression, "pending further information." They sometimes do that.

Mr. BOWMAN: Which means—

The CHAIRMAN: "Eye wash."

Mr. BOWMAN: —nothing, and you say that you have been following that practice; but in this communication you say, "but my colleagues in each occasion complied with the request." That is, they have agreed to suspension, where you have refused to agree to it.

Dr. ROCHE: Yes. That is indicated in the letter there that is signed by my two colleagues, that that has been the practice of the Commission. I wish to disassociate myself from being a party to the Commission complying with their request without good reason.

Mr. BOWMAN: And, Mr. Tremblay, did you consider that it was quite all right, despite the expressed opinion of the Chairman, that this request should be complied with?

Mr. TREMBLAY: I did. If the Deputy Minister takes the responsibility to ask for the suspension of an appointment I have always acted on it.

Mr. BOWMAN: And you, Dr. MacTavish?

Dr. MACTAVISH: The Deputy Minister, Mr. Bowman, acts under the law in all these cases.

Mr. BOWMAN: I am not worrying about the law.

Dr. MACTAVISH: The reason I want to show my reason why I agreed to that, it came from the Deputy Minister. He is the one who addresses the Commission, and it had been our practice, and still is, on the request of the department, to hold an appointment until we get further instructions, and I think the letter you read from the Secretary says, "awaiting further report," or "report from the—"

Mr. BOWMAN: I will read the letter of October the 10th.

Dr. MacTavish: The letter from the secretary to General Clark—I do not recollect that circumstance at all.

Mr. Vallance: Well, Mr. Tremblay, is the same practice followed to-day when suggested by a department to hold up an appointment, the same as it has always been?

Mr. Tremblay: There are cases on the file now that have been standing for a long time in which my colleague signs as one official.

Mr. Vallance: Held up at the request of the department?

Mr. Tremblay: Yes.

Mr. Vallance: So that the "eye wash" is still being used.

Mr. Tremblay: Yes.

The Chairman: I was not suggesting it was not.

Mr. Chevrier: I am not prepared to admit that that means "eye wash."

The Chairman: Dr. MacTavish, you said the Deputy Minister was within his lawful rights. I would like to know where the law is that authorizes an appointment being held for two or three years.

Dr. MacTavish: That was not my meaning. What I mean is between the department and the Commission—the Deputy is the man mentioned in the Act, the one who communicates.

The Chairman: So far as the Act itself is concerned, provision is made that a temporary appointment may be made for a period of thirty days.

Dr. MacTavish: Oh, yes, but the practice—

The Chairman: I am not interested in practice, I am dealing with law for the moment. A provision is made that a temporary appointment may be made by the department for thirty days. Is there any other provision in the Act that authorizes that being extended beyond that?

Dr. MacTavish: Yes.

The Chairman: What is it?

Dr. MacTavish: They may ask for a further extension. Whether we agree with it or not—

The Chairman: And for what length of time?

Dr. MacTavish: My recollection is from month to month.

The Chairman: Under the Act?

Dr. MacTavish: Yes. They do go on from month to month.

The Chairman: I know it happens. I have learned a great deal about what actually happens.

Dr. MacTavish: I cannot answer that precisely at the moment, Mr. Chairman.

By Mr. MacInnis:

Q. Dr. MacTavish, is it the practice to hold up a permanent appointment on every occasion when the Deputy Minister asks that it be held up?—A. Unless there is a reason why we should not; if they give what seems like a reasonable reason. Dr. Roche did not think there was a good reason in this instance.

Q. I am just asking your own practice?—A. It is the very general practice. We have been asked repeatedly, time and time again. It is going on practically all the time.

Q. Would you refuse a request by the department head to hold up an appointment?—A. I do not think I would, unless it was a very aggravated case. [Sutton, P.O. case.]

Q. Well, that is just what I want to get at, if there is a principle; that when the department head or the Deputy Minister asks that an appointment be not made, I understand from Dr. Roche that he refuses to grant that request, unless there is a satisfactory reason given?—A. Yes.

Q. Now, what is your position?—A. It is a matter of opinion as to a satisfactory reason.

Mr. BOWMAN: That is not what you said a moment ago.

By Mr. MacInnis:

Q. I do not think that enters into it, because in the case we are discussing there was no reason given at all. In any case, the department asked to hold up an appointment pending further information, and you grant the request? —A. Yes.

Q. And then there is no occasion on which you would not grant the request? —A. I would not indefinitely grant that request. I think there are cases, although I am subject to correction, where we forced the department.

Q. For how long would you grant the request?—A. That again would depend. I do not know how long. Apparently in this case it went for a year, but in the meantime the Commission had repeatedly asked—and we do that—to proceed. Apparently, according to that letter, there were repeated requests for further information.

Q. And before that letter was forwarded to General Clark was it submitted to yourself or to the Commissioners for approval?—A. I presume it was, as it is apparently initialled by me. I do not remember it myself. I would regard it as a matter of course. I do not remember seeing Dr. Roche's letter to General Clark.

Dr. Roche's letter was more of a personal letter?—A. I think it was on the file, Mr. MacInnis.

Q. But is it customary for the secretary, when he is asked for information, to make a draft of the information he is sending and get the approval of the Commissioners?—A. Not always. It depends on circumstances.

Q. Could he not give General Clark the practice in the Commission or the Civil Service Act, as required in this case, without submitting the letter for the approval of the Commissioners?—A. Apparently that draft—I do not remember anything about it—but apparently he thought it was important enough to submit it for approval. Many letters are submitted, many are not.

By Mr. Bowman:

Q. Well, there was a real reason for submitting this letter to Mr. Tremblay and yourself, was there not?—A. If there was I do not remember, Mr. Bowman.

Q. Is it not recalled to your memory now by the contents of the communication sent forward by Dr. Roche?—A. I do not see that that alters it, Mr. Bowman.

Q. As a matter of fact, does not Dr. Roche's letter set out that there was a distinct difference of opinion between himself on the one side and Commissioner Tremblay and yourself on the other side?—A. Yes, but that would not alter my opinion. I think it was the fair thing to the department to grant their request.

Q. In other words, General Clark was informed that there was a difference of opinion in the Commission itself as to the ground for suspension of the appointment; is that correct?—A. I do not recall that there was.

Q. You do not recall that there was?—A. Unless there was a communication to me, and the file would show.

Mr. TREMBLAY: But it was never in the official letter.

Mr. BOWMAN: The official letter?

Mr. TREMBLAY: Yes.

Mr. BOWMAN: What do you call the official letter?

Mr. TREMBLAY: Well, the one sent by the secretary.

Mr. BOWMAN: The one sent by the secretary and initialled by Mr. MacTavish and yourself?

Mr. TREMBLAY: Yes, sir.

Mr. BOWMAN: Would not you call the letter from the Chairman of the Commission an official letter?

Mr. TREMBLAY: Oh, well, yes; but that was subsequent.

Mr. BOWMAN: Then there were two official letters went forward?

Mr. TREMBLAY: One from Dr. Roche?

Mr. BOWMAN: Yes.

Mr. TREMBLAY: I think Dr. Roche's letter was based on the draft prepared by Mr. Foran which did not go in the form that it was submitted.

Mr. BOWMAN: Practically the same form in so far as the contents are concerned.

Mr. TREMBLAY: Except, I think, after adding the fact that Dr. Roche had not approved.

Mr. BOWMAN: Yes. In fact your letter pointed out what I have just stated, that there was a difference of opinion as between the Commissioners themselves.

Mr. TREMBLAY: Exactly.

Mr. BOWMAN: May I refer again to Dr. Roche's letter:—

> On a number of occasions since the appointment of my present colleagues, I have refused to suspend action at the request of the Department when no reason whatever was assigned for the delay.

You will note Dr. Roche's words:—

> When no reason whatever was assigned for the delay,

and it continues:—

> in accordance with the ruling of the Commission of March 18, 1926, but my colleagues on each occasion complied with the request.

That is, you and Mr. MacTavish did comply with the request to suspend without reason?

Mr. TREMBLAY: Yes, sir.

Q. Now, in the light of what happened in this Sutton case, do you still think that your judgment was correct, Mr. Tremblay?—A. Well, I do, and I have been following it up right along. If the Deputy Minister takes the responsibility to ask for the suspension of action, well, he must take the responsibility and I have been acting on that.

Q. If, in other words, the Deputy Minister is prepared to take the responsibilities off your shoulders you are quite satisfied that he should do so?—A. In a case of that kind, yes.

Mr. BOWMAN: And, does that express your opinion, Dr. MacTavish?

Dr. MACTAVISH: Well, yes. But I would like, if I may, to ask for that part of Mr. Foran's letter to General Clark, which I asked for before, to be re-read, the part as to the reason given in that letter, something about until the report or something was received from the department.

[Sutton, P.O. case.]

Mr. BOWMAN: I will read the letter:

> It has been the practice of the Commission since the present Civil Service Act was passed to comply with the wishes of a Deputy head when a request is made to suspend action on a competition for appointment in his Department, although several times the Chairman has refused his approval to such suspension when the reasons given by the Department were not, in his opinion, sufficient.

Is that the part?

Dr. MACTAVISH: No.

Mr. BOWMAN: All right, I will continue:

> It has further been the practice of the Commission to allow emergency appointments to be made by the Department, particularly in the case of Postmasterships pending the result of a competition to fill the position permanently.
>
> In this connection I might point out that the Civil Service Act provides for such appointments for a period of thirty days, or in places outside the Dominion of Canada for a period of ninety days (Sec. 39, Chap. 22, R.S.C. 1927). Whether or not the practice followed in the Post Office Department of filling Postmasterships for a considerable length of time before the competition is held is legal, is a matter to be determined by the law officers of the Crown, and you will recollect that the Minister of Justice promised to have a ruling on this point submitted to Parliament.

Dr. MACTAVISH: Yes, and might I just interject there that there has been constant dispute as to the power of the Post Office department under the Post Office Act as against our powers under the Civil Service Act. That is, no doubt, what the reference is there.

Mr. BOWMAN: Have I got to the point yet?

Dr. MACTAVISH: No, not yet.

Mr. BOWMAN: All right:—

> In regard to your inquiry regarding the appointment of Mr. Crowell, I may say that no definite protest has been made by the Commissioners, as his appointment does not appear on our files. The Commission has, however, protested against the delay of the Department in furnishing the report required in connection with the competition for the appointment of a Postmaster.

Dr. MACTAVISH: That is the part.

Q. That "the Commission has, however, protested against the delay of the Department in furnishing the report . . ." required?—A. Yes.

Q. That does not answer the question I asked you.—A. No, but that is the vital part as far as I am concerned, in our Commission protesting against the report not coming in.

Q. Will you please answer the question which I asked you some time ago, and that is,—Are you, as a Commissioner, satisfied to let the Deputy Head of any Department assume the responsibility of asking for suspension?—A. If he gives a reason satisfactory to me, yes.

Q. Without giving any reason?—A. Oh, well, I don't know. It depends on circumstances.

Q. What circumstances were there in this particular case of the Sutton Post Office?—A. Well, the circumstance that the matter was pending further information, and I would take it for granted, almost, that the department had further information to supply.

[Sutton, P.O. case.]

Q. Yes, after October the 11th, for a year after the request for the appointment had been made.—A. Yes, there were protests from the Civil Service Commission periodically.

Q. Yes, only prior to the time that the Examination Branch had recommended the appointment of Mr. Hill. On July 9, 1928, the Examination Branch recommended the appointment of Mr. Hill, which was o.k.'d by the Legion representative and by Dr. Roche, but subsequent to that time there is no record of any protest on file, not a single protest.—A. Well, I think the letter says so.

Q. Of October the 11th?—A. Yes.

Q. Which I read, yes. It says "pending further information?"—A. Yes.

Q. And that justified your position, in your opinion?—A. Yes.

By Mr. MacInnis:

Q. Was the Commission protesting against the delay in the appointment, and granting the request for deferring the appointment at the same time?—A. You will have to repeat that, Mr. MacInnis.

Q. You said that there was a protest from the Commission as to the delay in making the appointment?—A. No, I did not say that.

Q. I think so?—A. I said we protested to the department for not giving us the further information that was promised in the letter where they asked us to delay.

By Mr. Bowman:

Q. There is no record of any such protest on file, Dr. MacTavish?—A. The secretary's letter says so.

Q. Nothing except October the 10th, which I have read. Would you like to have a look at the file to satisfy yourself?—A. Not after that, Mr. Bowman.

By Mr. MacInnis:

Q. My understanding of my answer to Mr. Bowman's question is that the Commission protested several times at the delay in making the appointment?—A. I was taking it from the letter.

By Mr. Bowman:

Q. In getting the report of the District Superintendent, that is prior to the examination. Mr. MacInnis, if you will just bear back as to the facts, the request for the appointment came forward on October the 5th, 1927. Then from December, 1927, to June, 1928, there were requests for the report of the District Superintendent on the merits of the applications that came in, and the Examination Branch recommended the appointment on July the 9th, 1928.

In writing this letter, Dr. Roche, of May 28, there is something in this letter, to me rather significant words. You say:—

> In order to give a fuller understanding of the situation in connection with this matter.

And you go ahead and set out the difference of opinion.

Dr. ROCHE: A fuller understanding than that contained in the original draft letter of the secretary.

Mr. BOWMAN: Then there is another letter on the file from J. A. Clark to Mr. Foran, under date of May the 29th, 1929, replying to the letter of May the 27th, and we find on May 30, 1929, this memorandum:—

CIVIL SERVICE COMMISSION

Memo. *Re Board Decision: Parliamentary Returns.*

> A further letter was received from General J. A. Clark, M.P., with reference to the Sutton Post Office. The Secretary was instructed to

acknowledge the letter dated May 29, 1929, and to point out that the previous communication to him on this subject set out as fully and as clearly as possible the procedure adopted by the Commission in regard to requests received from Departments to suspend action on an appointment which is pending. Entered in Minutes May 30, 1929.

(Sgd.) J.E.T.

And in the corner a memorandum:—

Subject, so far as I am concerned, to my supplemental letter of 28th inst. to Col. Clark.

W.J.R.

There was still indicated in this memo. the difference of opinion which you, Dr. Roche, and Messrs. Tremblay and MacTavish had with regard to reasons why suspension should be granted at the request of the Deputy head?

Dr. ROCHE: Yes.

Mr. BOWMAN: Then, finally, we have on file, August 16, 1929, a request from the Deputy Postmaster General, by letter bearing that date, reading as follows:

WM. FORAN, Esq.,
Secretary, Civil Service Commission,
Ottawa.

DEAR SIR,—Referring to the vacant Postmastership at Sutton, and letter forwarded to you on the 10th October last, permit me to ask you to kindly proceed with the selection of a Postmaster.

It is desired to state that should applicant Hill be selected he will have to provide an office in a locality suitable to the Department.

This matter has been brought to the immediate attention of the Postmaster General.

Yours very truly,

(Sgd.) L. J. GABOURY,
Deputy Postmaster General.

And following that, on August the 27th, we have the appointment of Mr. Hill confirmed by the three Commissioners. We have on file this memorandum:

Dept.:—Post Office.

Subject:—Postmastership, Sutton, P.Q.

Salary and allowances amount to approximately $2,332 per annum, plus usual commissions.

Attention is drawn to Examination Branch memorandum of October 12 last, hereunder, wherein the Commissioners were informed that a communication had been received from the Acting Deputy Postmaster General to the effect that action towards the selection of a new Postmaster in this case be suspended pending the receipt of further information from the Post Office Department.

A communication is now at hand from the Department immediately hereunder, requesting that the selection of a Postmaster be proceeded with and stating that should applicant Hill be appointed he will have to provide an office in a locality suitable to the Department.

[Sutton, P.O. case.]

With the Department's letter is enclosed copy of a communication from the District Superintendent concerned covering copy of a letter from Mr. Robert Hill, OAS, which, in part, reads as follows:—

> I enclose diagram showing the location of the building which I am able to offer for a post office. This store has been used as a saddler's shop and is now vacant owing to the decease of the owner. The store is 20 feet by 30 feet with additional space of 12 feet by 10 feet to be had. In fact the owner is willing to make considerable alterations if the building is acceptable to the Department. Furthermore, should the Department see fit to accept my application I am quite willing and ready to rent the present office at a reasonable rental. If the only obstacle to me being granted this position is the building I am in a position to state that a suitable building could be erected providing I receive the appointment.

Mr. Hill's qualifications are detailed in Examination Branch memorandum of July 9, 1928, hereunder.

In view of the fact that Mr. Hill is entitled to the OAS preference, is willing to provide suitable accommodation and location for the Post Office and appears to be fully qualified, the Examination Branch recommends his appointment. TD August 21, 1929.

That is initialled "N. MacT." and "J.E.T."; then a memo. by Dr. Roche:—

> This is in accordance with my previous decision. W.J.R.

Those are your initials on that memo., Dr. Roche, Mr. Tremblay and Dr. MacTavish?

Dr. ROCHE: Yes.

Mr. TREMBLAY: Yes.

Dr. MACTAVISH: Yes.

The CHAIRMAN: What was the date the appointment was ultimately made?

Mr. BOWMAN: August the 27th, 1929.

Mr. CHEVRIER: And who was appointed?

Mr. BOWMAN: Mr. Hill.

Mr. CHEVRIER: And who had been recommended in the first place?

Mr. BOWMAN: Mr. Hill. That is all I have to say with regard to this file.

The CHAIRMAN: Any questions, gentlemen? Have you anything else to go on with?

Mr. ERNST: I have something here, Mr. Chairman, that I can take up.

The CHAIRMAN: We had a sort of understanding yesterday that if the matter is one involving the exercise of discretion by any of the Commissioners, the file should first be made available to the Commissioners so that they may refresh their memory.

Mr. ERNST: There is one thing I want to ask. Perhaps Mr. Bland, as Assistant Secretary, could give me the information. I find in this file—it is a Nova Scotia file—similar mailing lists to those which were referred to at an earlier hearing, containing the names of every defeated Liberal candidate in Nova Scotia in the recent elections, whether they were within or without the district concerned. It was intimated by someone—I do not recollect who it was—that that was done on the request of the individuals concerned.

Mr. BLAND: Done on the request of either the individuals concerned, or someone for them, Mr. Ernst.

Mr. ERNST: What I want, Mr. Bland, is the request produced, whether it comes from the individual or some other source.

[Sutton, P.O. case.]

Mr. BLAND: I will be glad to get that.

Mr. ERNST: The request would undoubtedly be in writing?

Mr. BLAND: Yes, I think so. Will you give me the name of the file, Mr. Ernst?

Mr. ERNST: Well, I will give you the names of the individuals on the file.

Mr. BLAND: The same as before?

Mr. ERNST: Yes, exactly the same.

Mr. BLAND: All right, I will get you that.

Mr. ERNST: I am wondering if these gentlemen really requested the information.

Mr. BLAND: I will get the original correspondence.

The CHAIRMAN: Would the Commissioners prefer that this be dealt with now as it is a matter of deletion of certain data from a return asked for by a certain member of the House.

Dr. ROCHE: Yes, we would like to see the file, Mr. Chairman.

Dr. MACTAVISH: Would it be in order for me, Mr. Chairman, to call attention to one or two matters?

The CHAIRMAN: Oh, yes, if you wish. I may say, Dr. MacTavish,—

Dr. MACTAVISH: It will only make a minute, Mr. Chairman.

The CHAIRMAN: I may say, Dr. MacTavish, that it was announced yesterday—you were not here—that it was the plan of the Committee, as soon as we had heard all evidence in connection with any matters which anybody wishes to bring before the Committee, then to give ample opportunity to the Commissioners, or any officials of the Civil Service Commission, to make any statement they desired to make, or any representations, either with respect to matters which had been raised in connection with these different files or new material. In view of that, would you not prefer to make your representations all together and at the same time so that they will not be broken up piece meal?

Dr. MACTAVISH: If there will be time given afterwards.

The CHAIRMAN: There will be ample time.

I have one or two matters, gentleman, that I will be very brief with, and in connection with which I do not require to ask any witness any questions. I just wish to put them on record from the official documents on file, in view of some of the previous matters dealt with here.

Mr. ERNST: I was just suggesting to the Chairman, Dr. MacTavish, that you felt you might have had an injustice done which you might wish to right.

Mr. BOWMAN: Is that the nature of the representation?

Dr. MACTAVISH: Yes.

The CHAIRMAN: Well, then, let us have it now.

Dr. MACTAVISH: I am just quoting from a clipping from the "Citizen" newspaper, two items together. Under one heading it says:

> Vote Chairman down in most of cases filed.
>
> Record of dissenting judgments in Civil Service Commission brought before House Committee.
>
> Dissenting judgments handed down by the three members of the Civil Service Commission since 1926 number 500 or more.
>
> In practically all of these cases the files of the Commission show that Hon. Dr. W. J. Roche, Commission Chairman, was in the minority against the combined vote of Commissioners Newton MacTavish, and J. Emile Tremblay.

My office has supplied me with this document which shows that that is far from being the case. Take since 1928, the dissents were Dr. Roche, 146; Commissioner Tremblay, 79; Commissioner MacTavish, 150. That is very different from the report in the newspaper and I presume that information was derived somewhere. Now, if we go back further we find that the total—that Dr. Roche dissented, since 1926, in 385 cases; Commissioner Tremblay, 142; and, Commissioner MacTavish 180. That is since Commissioner Tremblay and I have been Commissioners. I think that that statement is almost maliciously misleading.

The CHAIRMAN: It was not brought out here in the Committee. I do not know where it emanated from, Dr. MacTavish.

Mr. ERNST: No, I do not think the return we asked for is even yet completed.

The CHAIRMAN: It has just been handed to us this minute.

Dr. MACTAVISH: Well, that is pretty good newspaper work.

The CHAIRMAN: We asked for it some days ago.

Mr. VALLANCE: What is the date of the paper, Doctor?

Mr. MACTAVISH: It is the Ottawa Citizen, Tuesday, April 26.

Mr. ERNST: The figures we have differ just a little bit from those. Perhaps in justice to you I should give you the figures from the official return.

The CHAIRMAN: From July, 1926, to July, 1932.

Mr. ERNST: Dr. Roche, 449; Dr. MacTavish, 206; Mr. Tremblay, 172.

Dr. MACTAVISH: Yes, that adds to it.

Then right on the same page is a comment on travelling expenses, which makes it look as if two Commisisoners travelled and spent a good deal more than any other. My expenses, Mr. Chairman, are here. A number of reflections have been made on me as to what I have spent, and my absences. I have a full statement here, supplied and issued by our accountant, and they are available at any time you might wish them.

Mr. ERNST: I do not think there was any comment made in this Committee. The return has just been filed.

Dr. MACTAVISH: I was referring to the newspaper clipping.

The CHAIRMAN: We have also just had filed with the Committee the return asked for from the Civil Service Commission showing the absences from Ottawa.

Dr. MACTAVISH: I would have referred to that, Mr. Chairman, but that was not mentioned here at all.

The CHAIRMAN: If copies have not been prepared, the Clerk will make them available.

Mr. ERNST: If you are going to make it available, perhaps again some of the Commissioners might feel we were doing them an injustice, and we ought to give them a chance to examine it before it is dealt with.

Mr. CHEVRIER: I was going to move that those two documents handed to us be not handed out to the Press until they have been made use of in this Committee.

The CHAIRMAN: It is not necessary to make a motion, if the Committee just intimate that as their desire.

Mr. ERNST: I suggest that we immediately make them available so that we can get their comment.

The CHAIRMAN: If there is to be taken from that remark that the other paper represented here has not been respecting the Committee's wishes, I wish immediately to dissent from it. That was made very clear yesterday about some matter which had appeared in The Ottawa Citizen.

[Sutton, P.O. case.]

Mr. ERNST: But it also appeared in The Journal, did it not?

The CHAIRMAN: There was some complaint about some matter appearing in The Citizen with respect of some material that had been filed with the Committee but not yet dealt with by the Committee, and I made it perfectly clear yesterday that that information was not given out by the Chairman or the Clerk of the Committee. The Clerk cannot be responsible for something that may be handed out by somebody else, or where information is obtained from some other source.

Mr. CHEVRIER: In order that there should be no misunderstanding, I wish it to be understood, that the list of cases in which the Commissioners have dissented, and this further document which purports to be a document showing the times the Commissioners have been absent,—that these two documents be not handed to the Press until they have been made use of by ourselves in the Committee, and then it becomes public; but until then I suggest that they should not be handed out. As soon as a document is filed here, that does not make it public. In the exercise of our own discretion we might say we do not want to use it.

Mr. BOWMAN: I think, as a matter of fact, Mr. Chevrier, that has been the policy of the Committee.

Mr. CHEVRIER: I am not blaming anybody on the Committee. I wish to make that quite plain.

Mr. BOWMAN: There are plenty of sources from which the newspapers can obtain the information.

The CHAIRMAN: I wanted just to put some official data from this file on record, and if any of the Commissioners desire to make any explanation or reply in connection with it why they are at perfect liberty to do so. I refer to the appointment of John T. White as a Postmaster at Belwood, Ontario. I call it to the attention of the Committee in view of the fact that Commissioner MacTavish, in connection with the Ste. Arsène appointment, gave us his main reason for appointing the second man on the list in order of merit, because the first man was sixty-two years of age, and, therefore, he thought it was in the interest of the service that a younger man should be appointed.

From this file: December 21, 1927, a letter from the Assistant Deputy Postmaster General to the Secretary of the Civil Service Commission, Ottawa, advising of a vacancy at the Post Office of Belwood, Ontario.

There is also private correspondence that I am not touching.

There is on file an application from one John Thomas White. This application of John Thomas White shows, in answer to question:—

> "Age last birthday, 71, December 15, 1927."

There is on file a letter from the Assistant Deputy Postmaster General, dated February 9, 1928, to the Secretary, Civil Service Commission, which reads as follows:—

> Referring to the vacant Postmastership at Belwood, I wish to inform you that communications have been received from George A. McQuibbon, M.L.A., of Almonte, Ontario.

Mr. McQuibbon is the local member (Liberal) in the Ontario Assembly.

> and Mr. R. F. Dale of Harriston, recommending the appointment of applicant John White.

There then appears on the file the official memorandum from the Examination Branch of the Civil Service Commission initialled by "C.H.B. Assistant Secretary and Chief Examiner." Omitting the parts thereof that are purely formal, it reads:—

[Belwood, P.O. case.]

Applicants and order of merit from a Postal Service standpoint:—

(1) John T. White,
(2) Alfred J. Bradley,
(3) Fred Bellamy,
(4) Thomas B. Jupp,
(5) Morgan C. Burns,
(6) Mrs. Eleanor Cairns.

I refer only to the qualifications set out of the first and second men, in order that it may be contrasted with the Ste. Arsene case. The first man:—

Mr. White, 71 years of age, married and father of one son (grown up), is a native Canadian and has resided 11 years at Belwood.

Education: Common School.

Experience: Private banking 10 years; General Storekeeper, 3 years; Cattle Buyer, 20 years; Assistant in Post Office at Rothsay, Ont., 3 years; Supervisor of Public Library for the last four years.

Remarks of District Superintendent: Notwithstanding his age, he is especially active and his mental faculties are in no way impaired. He also stands very high in the estimation of the residents, and his appointment as Postmaster would be very popular and receive the approval of the patrons and residents.

In the event of his appointment, Mr. White would continue the office in its present location and devote full time to the duties with the assistance of his wife. His character and integrity are rated "excellent", and he is suitably recommended.

Then the second man:—

Mr. Bradley, 59 years of age, married and father of four children, is a British subject, born in England, and has been in Canada 55 years, all of which time has been spent at Belwood.

Education: High School matriculation.

Experience: Merchant, hardware store; keeps his own books.

In the event of his appointment Mr. Bradley would move the office to a building, 150 yards from the present site and devote full time to the duties with the assistance of his wife. His character and integrity are rated "good", and he is suitably recommended.

This memorandum appears at the bottom of it, from Mr. Bland:—

In view of the advanced age of Mr. White, who is placed first in order of merit from a Postal Service standpoint, the matter of an appointment is respectfully submitted for the consideration and decision of the Commissioners.

The appointment of Mr. White is approved without comment, by Commissioners MacTavish and Tremblay. The Chairman of the Commission, Dr. Roche, writes the following dissenting judgment; referring to the comment made by Mr. Bland as to the man's age:—

This being so I am not in favour of appointing a man 71 years of age when there are other qualified applicants who are much younger. Am in favour of second man in order of merit (Mr. Bradley).

The next one I wanted to put on record, for the attention of the Committee —and I do it by reason of the fact that in this White case which I have just dealt with where a man as old as 71 was appointed, there was a petition in favour of that man being appointed; that is, White being appointed, which was signed by 19 residents. The case that I now want to bring to the attention of the Committee is the appointment of J. Turcotte, at East Broughton Station in the Province of Quebec.

[Belwood, P.O. case.]

I call this one to the attention of the Committee, because in this case there was a petition signed by over 500 of the adult residents, which was apparently disregarded.

Under date of December 15, 1927, the Assistant Deputy Postmaster General advised the Secretary of the Civil Service Commission by letter of a vacancy.

Mr. MacInnis: Are you asking any questions with regard to those?

The Chairman: No, I am just putting the record on file, and if the Civil Service Commissioners want to deal with them they can.

Mr. MacInnis: If they have any exception to what you are reading they can take it.

The Chairman: Yes. The next thing I want to read in this file is the memorandum from the Assistant Secretary and Chief Examiner of the Civil Service Commission to the Commissioners dealing with the appointment, leaving out the formal parts:—

> Applicants and order of merit from a Postal Service Standpoint:—
> (1) J. Irenée Turcotte,
> (2) Jos. D. Vachon.
>
> *Mr. Turcotte:* 33 years of age, single, is a native Canadian and has resided 21 years at East Broughton Station.
>
> *Education:* Common school.
>
> *Experience:* Bookkeeper and clerk in a General Store; acting Postmaster at East Broughton Station since January 5th last.

I would call attention to the fact that his whole postal experience was while he was temporarily in the appointment by the Department from January 5th to February 29th the same year, 1928, which date this document was entered in the Minutes.

> In the event of his appointment, Mr. Turcotte would continue the office in its present location, and devote full time to the duties. His character and integrity are rated "very good" and he is suitably recommended.
>
> *Mr. Vachon,* 27 years of age, married and father of one child, is a native Canadian and has resided 22 years at East Broughton Station.
>
> *Education:* Commercial Course.
>
> *Experience:* Assistant Postmaster at East Broughton Station for the past three years; bank employee five years.
>
> In the event of his appointment Mr. Vachon would move the office to the former site, 100 yards from the present site, which is not considered quite as central as that offered by the other applicant, and would devote full time to the duties. His character and integrity are rated "very good" and he is suitably recommended. A petition bearing approximately 500 signatures has been received in favour of Mr. Vachon's appointment.
>
> The Acting Deputy Postmaster General states that a communication has been received from Mr. Laureat Turcotte expressing a desire to be considered an applicant for this Postmastership and the District Superintendent has been requested to submit a supplementary report on this applicant which will be forwarded when received.
>
> It will be noted that while the location offered by Mr. Vachon is not considered as central as that offered by Mr. Turcotte, it is not stated to be unsuitable.
>
> In view of the fact that Mr. Vachon, who has had previous postal experience and appears to be fully qualified, is placed second in order of merit from a postal service standpoint, the matter of an appointment is respectfully submitted for the consideration and decision of the Commissioners.

[East Broughton, P.O. case.]

That memorandum is dated February the 8th, 1928. Before, I gave the date of February 29 as being entered in the Minutes.

Then this memorandum bears the following endorsation:—

> J. I. Turcotte has a better education and a more varied experience than J. D. Vachon. Turcotte offers more central premises than the other candidate.

I cannot read the initials, Mr. Bland, would you come up here and interpret the initials for me? Whose initials are those?

Mr. BLAND: Mr. J. R. A. Baril, the head French examiner, who passes on any appointments in the Province of Quebec.

The CHAIRMAN: So that the head French examiner's statement was that J. I. Turcotte has a better education? Now, Turcotte had a common school education, and Vachon had a commercial course. The head French examiner says that Turcotte has a more varied experience than Vachon. That is true. He had been everything else but a postmaster. Vachon had three years' experience. Then Turcotte is appointed without comment or without reasons, according to this memorandum, by Commissioners MacTavish and Tremblay. Dr. Roche writes the following dissenting judgment:—

> It does not require varied experience for the Postmastership of East Broughton Station. Post Office experience has always been emphasized by the Department as entitling an applicant to preferential consideration. This is one of a number of instances where the order of merit appears difficult to explain except by the fact that the M.P. for the constituency has recommended the applicant who has been placed first. Mr. Vachon who has been Assistant Postmaster of this office for the last 3 years and who apparently is 'persona grata' with the patrons of the office as evidenced by the petition of 500 in his favour, is in my opinion, entitled to the position. W.J.R.

These are the formal matters I wish to put on record.

Mr. BOWMAN: You have the file that I referred to last evening, respecting the appointment of a Postmaster to Killam Post Office, Alberta.

There is the usual notification from the Deputy Postmaster General under date of February 8, 1927, advising of the vacancy. Then come the applications.

Under date of April 27, 1927, there appears on the file a memorandum, I presume from the Examination Branch, a memorandum to the Secretary with respect to the applicants, and under the heading of "Qualification of remaining applicants in their order of merit,"—they are set out, I will refer to them in a moment:—

(1) Harry N. Reeves, OAS.
(2) Walter J. J. Woods.
(3) Chas. R. Nash, OAS.

Now, the Examination Branch recommends the appointment of Mr. Reeves. This is dated April 1, 1927, and when I mentioned a moment ago the date of April 27, 1927, that is the date it was entered in the Minutes.

Now, Mr. Reeves qualifications are set out in this report as follows:—

> *Mr. Reeves,* 29 years of age, single, is a British subject, born in Newfoundland, and has resided 7 years at Killam.
>
> *Education:* Primary School in Newfoundland till the age of 14. Rated "Good."
>
> *Experience:* Assistant Railway Agent and Timekeeper in Lumber Camps.

Remarks of District Superintendent: He makes a favourable impression and is well spoken of at Killam. At present he is working several months in Banff. When at home in Killam district he lives with his brother on the S.-E. quarter of 10-46-14, which is about 10 miles n. of the town.

Mr. Reeves is suitably recommended, and his character and integrity are rated "Good". He would give the Post Office full time attention and the accommodation and location he offers are satisfactory.

Now I refer to Mr. Nash:—

Mr. Nash, 37 years of age, married, no family, is a British subject, born in England, and has resided 6 years at Killam.

Education: Primary School in England and third class army certificate of education, finally leaving at the age of 15. Rated "Average".

Experience: Express Clerk and Passenger Guard in England; Clerk in a grocery store and at present farming.

Mr. Nash is well recommended and his character and integrity are rated "Good". He would give the Post Office full time attention and the accommodation and location he offers are suitable.

On this report, as I noted before, the Examination Branch recommend the appointment of Mr. Reeves, who is placed first in order of merit, and that is approved by Dr. Roche. There is a memorandum as follows:—

I am in favour of Mr. Nash. "N. MacT.", and below that, "J.E.T.".

The CHAIRMAN: Where was Nash on the list, second?

Mr. BOWMAN: Third. Now, in this connection, Dr. MacTavish, will you advise me why Nash was chosen in view of their order of merit?

Dr. MACTAVISH: Might I ask, Mr. Bowman, is No. 2, eliminated?

Mr. BOWMAN: Just a moment, I will see if there is any record on file.

Dr. MACTAVISH: If it is not, do not bother.

The CHAIRMAN: Is this one of the files of which the Commissioners were notified?

Dr. MACTAVISH: Yes, I have seen that file.

Mr. BOWMAN: I see no record on file of any withdrawal of Woods.

Mr. TREMBLAY: I think Woods was not a returned soldier and he could not be considered. I think that is it.

Mr. BOWMAN: Just a minute. There is a mark, a cross opposite those eliminated, and Mr. Woods is not eliminated.

Dr. MACTAVISH: Well, at any rate, apparently Nash and Reeves were the ones, you might say, in the final running. Shall I answer your question now?

Mr. BOWMAN: Yes.—A. I approved of Nash because I thought their qualifications were about similar. One is a married man. Nash is a married man, and then there was the other important difference, or doubt, if you might put it that way, of the residential qualifications of Reeves. The Superintendent in his report says that he is now working at Banff, and, accepting that as true, he would not be a qualified candidate.

Q. He would not be what?—A. A qualified candidate, not for residence. He would not be a resident.

Q. Oh, temporary?—A. Well, here is a man, a single man, living at his brother's place when he is there, but at the moment he was working at Banff. He had been there several months and was not then a resident. That, undoubtedly, was my reason.

Q. The other man, Mr. Nash, was farming?—A. That is my interpretation of the Act.

[Killam, P.O. case.]

Q. And do I understand, Dr. MacTavish, that married men have a preference over single men?—A. No.

Q. Well, then, why did you give that as your reason?—A. I gave you my reasons.

Q. You gave me that as one reason.—A. In this case it would have weight.

Q. Well, has or has not a married man any preference over a single man?—A. He has not under the law.

Q. Has he with the Commission?—A. He has with me in certain circumstances.

Q. Has he with the Commission generally?—A. I do not think so.

Q. But with you he has?—A. It has been used by other Commissioners than myself.

By Mr. MacInnis:

Q. Should it be taken cognizance of in a question of merit?—A. No, I see no difference in merit in those two.

Q. That is not the point. It is as to whether a man was single or married, is cognizance taken of that by the Commission?—A. No. I say it gave him probably an edge, that he was a suitable citizen of that community, the other man was not.

Q. Do you mean a man that is not married is not a suitable citizen?—A. The Superintendent's report—

Q. Or that he had been working a few months at Banff?—A. He had been working a few months at Banff.

Q. Quite so.

Mr. BOWMAN: Banff is a summer resort. A man might be away temporarily.—A. Well, it is a winter resort also.

Q. He might be there temporarily?—A. He might be.

Q. And the married man to whom you have reference, and to whom you gave preference is a man with no family, according to the report?—A. Apparently not.

Q. And did you give Mr. Nash the preference because he was a married man with no family?—A. No. I say that had no weight, but I did not give him the preference, Mr. Bowman.

Q. That was one reason?—A. It weighed with me.

Q. The fact that a man is married has some weight?—A. In circumstances.

Q. It is a merit system you are administering?—A. Yes, but quite apart from that, this man was not a resident at the time.

Q. And if a man has a big family does that weigh with the Commission too?—A. It might, and it might not.

Q. In what circumstances would it?—A. Well, if you wanted to establish a man's permanency and his standing in the community I would say—

Q. The more children he had the more substantial standing he had in the community?—A. It would depend upon whether it was in the Province of Quebec or the Province of Ontario.

Q. I do not agree with you, Dr. MacTavish, because I am the oldest of a family of 10 and I come from the Province of Ontario.—A. Some of our grandfathers had larger families than that, Mr. Bowman.

Q. So that, Dr. MacTavish, with you the question of whether a man is married or single, or a man with a large family or small family, does weigh?—A. In circumstances.

Q. In certain circumstances?—A. Yes.

Q. And is there anything in the application form to indicate that that is something that is taken into consideration?—A. No. We ask whether they are married or single.

[Killam, P.O. case.]

Q. Yes, but do you ask particularly that a man set out the circumstances of his family?—A. Well, the number and age is asked. They are asked for a purpose.

Q. Do you ask for the ages of the children?—A. The ages are frequently given.

Q. No, but do you ask for the ages of the children?—A. No.

Q. Do you ask whether or not the children are established in life?—A. No.

Q. Well, how in the world can you give weight as to the number of children? —A. I did not say I do.

Q. Well, you just said a moment ago you did.—A. Not to the number of children.

Q. What, Mr. Tremblay, was your reason for giving the third man in order of merit the preference over the first and second?

Mr. TREMBLAY: Well, I must say I do not recall very much about it.

Q. Well, have a look at the file, Mr. Tremblay.—A. I saw it.

Q. Well, have another look at it.—A. I said about Mr. Woods that he was not listed as a returned soldier and he was not, but I see by his application form that he is.

Q. That was overlooked, apparently, Mr. Tremblay?—A. Yes, so it remained between Nash and Reeves.

Q. Does it not seem rather peculiar, Mr. Tremblay, when making an appointment of this kind, that the matter of his being a returned soldier should be overlooked by you?—A. It was overlooked by the examiner who did not put it down.

Q. You had the applications before you, though?—A. Yes, we should.

Mr. BOWMAN: All right, Mr. Tremblay.

By the Chairman:

Q. I imagine, Mr. Tremblay, as a matter of practice, that you do not, unless there is criticism, or unless there is some special reason, examine the applications? A. Well, unless there is something in the report. We go by this, unless there is something to draw our attention to something special.

By Mr. Bowman:

Q. Well, in this case, Mr. Tremblay, there was something to call your attention to the report, because the Examination Branch had recommended in order of merit, Reeves, Woods and Nash, and you had found in favour of Nash, so that consequently there was something to draw your attention to the file?—A. Yes, but Mr. Woods not being listed as a returned soldier there was no use considering him in this. The other two were eliminated.

Q. Then with Reeves and Nash the ones for it, you found in favour of Nash. There was some particular reason why you should examine the file. On what ground did you find in favour of Nash?—A. I found Nash was better qualified and that was my opinion at the time.

Q. Now, just where is he better qualified?—A. On the facts as disclosed by his application form and the report of the Superintendent.

Q. Well, the reports are there, just tell me where?—A. You have the qualifications of Mr. Reeves, 29 years of age, single, a British Subject, born in Newfoundland and has resided 7 years at Killam; primary school in Newfoundland till the age of 14. He is rated "Good". Experience, assistant railway agent and timekeeper in lumber camps.

Mr. Nash, 37 years of age, married, no family, is a British Subject, born in England, and has resided 6 years at Killam. Education, primary school in England and third class army certificate of education, finally leaving at the age of 15; and his experience, express clerk and passenger guard, clerk in a grocery store. His education suited me better than that of Mr. Reeves.

[Killam, P.O. case.]

Q. All right, Mr. Tremblay. In any event, from the qualifications that were passed on by the Examination Branch you thought that they had come to the wrong decision?—A. The wrong conclusion.

Q. And you based your judgment on that?—A. Yes, sir.

Q. And you did not base your judgment on the fact that Mr. Nash was a married man and the other single?—A. No, I do not think I did.

Q. Does that have any weight with you, Mr. Tremblay?—A. Well, it might, other things being equal,—yes. If the men have the same qualifications, one married with a large family, I might give the preference to the married man.

Q. Without knowing anything about the financial standing of the single man and the married man?—A. Oh, well, I think I would enquire first.

Q. Well, you have nothing on the application form giving you that information?—A. No, but generally.

Q. You do not, as a matter of fact, ask people to set out their financial position to the Commission?—A. No, no.

Q. And in this case, unless you understand their financial position you cannot very well say that a married man has a claim over a single man?—A. No.

Q. As a matter of fact, a single man might be supporting his mother; he might be supporting other members of his family.—A. That is quite so.

Q. Which would give him the preference over the married man?—A. That may be quite so.

The CHAIRMAN: How many of those files have you, Mr. Bowman?

Mr. BOWMAN: They are mostly short, like the last one.

The CHAIRMAN: Can you clean them up this afternoon?

Mr. BOWMAN: Yes, I think I can clean them up this afternoon.

Mr. ERNST: I want to intimate to the Commissioners that the record of the days on which they were absent from the offices of the Commission has been furnished us. And I intend to go into it, probably to-morrow morning. The only information I want is on which dates the absence was, whether on official business and what the business was.

Mr. CHEVRIER: Have the Commissioners been furnished with the list?

The CHAIRMAN: It is made up by their staff.

Mr. CHEVRIER: I will willingly give my copy to the Commissioners.

Mr. ERNST: I would like to know which absences were on official business and what the official business was, and, if it was official business, then I would like to have the vouchers for the business.

Mr. BOWMAN: The vouchers have been called for.

The CHAIRMAN: It would appear, then, gentlemen, that we will be able to go into those matters, such as expense accounts and so forth, to-morrow morning in all probability, and we will be ready to hear the Commissioners or any officials of the Civil Service Commission either to-morrow afternoon or Friday morning at the latest.

Dr. ROCHE: By way of information, Mr. Chairman, how am I to interpret that? I do not know whether this Committee wish to adopt the same procedure as the Spinney Bill committee. They allowed us to put in by way of rebuttal a written statement. What I mean is, we were not called again and cross-questioned and then perhaps other witnesses called to combat our evidence again. The evidence was put in, under oath, in statement form, to expedite the work of the committee. Now, am I to interpret this in the same way?

The CHAIRMAN: Doctor, what we have tried to do is to carry on the procedure as nearly analogous as we could to a court proceeding, namely, we asked the Civil Service Commissioners and any of their officials to come before us

and give us their views with respect to the procedure of the Civil Service Commission, and Civil Service administration generally. We have brought forward different matters, and we are now in the position that if the Commissioners or any of the officials of the Commission wish to offer anything in respect of the matters which have developed since the Commissioners were last here, we will be very glad to have it. I would not like to say that any members of the Committee would be precluded from calling any additional evidence, if something arose from what the Commissioners or the officials of the Civil Service Commission submitted. I can only say that, so far as I can ascertain, the present intention of the respective members of the Committee is not to call any further evidence.

Dr. MacTavish: This is a point I wish to raise, Mr. Chairman, if we have time, because it is rather, to my way of looking at it, singular that all the files which you have examined are files that have the dissent of Dr. Roche. I have shown you, by the information I gave this morning, that I have between 200 and 250 dissenting cases myself as against my colleagues. Mr. Tremblay has a good many, and I think it is only fair that some of these cases should be reviewed to show that Mr. Tremblay and I are not always consenting together, as has been intimated, but that we had changed about, I probably dissenting with Dr. Roche, or consenting with him as against Mr. Tremblay, as the case may be.

The Chairman: So far as the Committee are concerned, Dr. MacTavish, I am sure they will be perfectly agreeable to listening to certain submissions with respect to those files that any Commissioner may care to make.

So far as I personally am concerned, in connection with the files which I have examined, I have examined a great many files as the result of information or complaints given me, and I have not troubled the Committee in bringing before them any of those files which I have examined and in respect of which it appeared to me, from the record on the file, that there was no room for complaint. I say quite frankly, that I have brought before the Committee only the ones where I thought the judgment of the majority of the Commission was somewhat extraordinary in the circumstances of those particular cases.

Mr. Ernst: That has been the general procedure of the Committee.

The Chairman: That is the situation so far as I am personally concerned, and I am sure it applies generally so far as the Committee is concerned.

Dr. MacTavish: It is a singular fact, nevertheless, Mr. Chairman, that in all these cases the dissent is on the part of the Chairman. I would like to impress on this Committee that there are many other dissenting cases.

The Chairman: Oh, that is obvious, Dr. MacTavish.

Dr. MacTavish: But is it not a singular fact that in all those cases that has been the—

Mr. Ernst: You are under a complete misapprehension of the procedure. I was responsible for bringing in some files; Mr. Bowman was responsible for bringing in some; Mr. Laurin was responsible for bringing in some; the Chairman was responsible for bringing in many, and Mr. MacInnis was responsible for bringing in some. When I brought in a file it was because something in that file looked to be irregular, and in many cases I looked for and found a dissenting judgment and found what I thought was something irregular. I did not bring a file before the Committee unless there was something irregular on the face of it, something that needed explanation.

Dr. MacTavish: I am not questioning that. I am just questioning the singularity of it. Then there is this statement in the Press, for which I cannot blame the Committee, but it does go out to the public that Dr. Roche was being voted down.

[Killam, P.O. case.]

Mr. CHEVRIER: A member of this Committee has asked for the production of all the files where Dr. Roche was dissenting. He did not ask for any files where any of the other Commissioners were dissenting.

Mr. ERNST: Are you referring to me, Mr. Chevrier?

The CHAIRMAN: Mr. MacInnis asked for all the files.

Mr. ERNST: I moved for the production of all dissenting judgments.

The CHAIRMAN: I think the formal request to the Commission was merely substantiating what Mr. MacInnis had verbally asked for at the preceding sitting of the Committee, namely, all the dissenting files.

Mr. CHEVRIER: However, that is a question to be taken into consideration by the Committee when making their report.

Mr. BOWMAN: If Dr. MacTavish has files in mind where the proceedings are irregular, let him bring them before the Committee.

The CHAIRMAN: Each of us, as an individual, has exercised his own judgment in respect of the files brought forward.

Mr. MACINNIS: I think the point brought forward by Dr. MacTavish is well taken.

The CHAIRMAN: The Committee will continue to sit as long as it is necessary to give the Commissioners and the officers of the Civil Service Commission the fullest opportunity they desire to submit any evidence or submissions they care to make.

Mr. VALLANCE: I do not think, Mr. Chairman, it would be fair to any of the Commissioners to suggest that they bring forward any files regarding dissenting judgment on the part of other Commissioners. I do not think that is fair.

The CHAIRMAN: What do you suggest, Mr. Vallance, we should do?

Mr. VALLANCE: I am in agreement with Mr. MacInnis that the point Dr. MacTavish brings up is well taken, as far as he is concerned, from his own personal viewpoint, that it is rather singular that all the files which have been examined so far have to do with dissenting judgments of Dr. Roche, and then a suggestion is made to him that if he knows of any cases where he was the dissenting voice why does he not bring them up. I do not think it is fair to ask any of the Commissioners to do that.

Mr. CHEVRIER: They would have to bring in over 800 files.

Mr. BOWMAN: Not necessarily. We are only interested in proceedings that are irregular, in so far as bringing forward those particular files are concerned.

Dr. MACTAVISH: I could hand a list in now, Mr. Chairman, if you wish to have it, and if you wish to see them.

The CHAIRMAN: A list of what?

Dr. MACTAVISH: A list of files where there has been dissent by me.

Mr. BOWMAN: We have those, Mr. MacTavish.

Dr. MACTAVISH: Well, I made the observation, the observation as to the singularity of the fact.

The CHAIRMAN: So that it may be perfectly clear, if any member of the Committee, or any other person, desires to submit to the Committee any files of any kind they are at perfect liberty to do so.

Dr. MACTAVISH: I think that is highly fair.

The CHAIRMAN: We will adjourn until four o'clock, or until immediately after the final vote on the budget, whichever time will be the earlier.

The Committee adjourned at 1.05 p.m.

[Killam, P.O. case.]

AFTERNOON SESSION

The Committee met at 4.30 p.m.

Mr. BOWMAN: I wish to refer now to a file respecting the appointment of a postmaster to the Mundare post office at Vegreville, Alberta. The usual requisition came forward to the Commission from the office of the Postmaster General under date of June 16, 1926. The report of the Examination Branch is on file under date of February 19, 1927. The order of merit from a postal service standpoint is as follows: 1. George Woytkiw; 2. William A. Stewart. And then there is a list. The qualifications of the candidates are set out in their report as follows:—

> Woytkiw, 22 years of age, single, is a native Canadian and lifelong resident of Mundare; education, primary school, 1911-1917, high school, 1917-1920; private school studying Ukrainian language 1909-1911, finally leaving at the age of 17; rated very good; experience, assistant postmaster at Mundare since May, 1920; at present acting postmaster.

The CHAIRMAN: That would be seven years?

Mr. BOWMAN: Yes, seven years.

> Mr. Woytkiw is very well recommended, his application being supported by a petition containing the signatures of 345 patrons of the Mundare post office. He would give full time to the duties of the position and the accomodation and location offered are suitable.

Now, with regard to Mr. Stewart:—

> Forty-three years of age, married, the father of two children, naturalized British subject, born in the United States of America, has resided 20 years at Mundare; education, primary school 1890-99, business college 1902-03; teacher's course, eight months, rated good.

You might note that Woytkiw's rating is "very good."

> Experience, school teacher 4 years, assistant in Mundare post office 1907 to 1909, farm machinery salesman since 1923. Mr. Stewart is suitably recommended and his character and intergrity are rated good. A petition bearing 114 signatures support his application. He would give the post office full-time attention and the accomodation and location offered are satisfactory.

At the end of the report to which I have referred appears this paragraph:—

> The attention of the Commissioners is, however, drawn to the Department's letter of the 10th inst., hereunder, also to two communications from Mr. Boutillier, M.P., and Mr. Luchkovich, M.P.

I see that the letters from Mr. Boutillier and Mr. Luchkovich are not on the file. This is dated February 19, 1927. Below that is this further memorandum:—

> On the three counts of being assistant postmaster, having had 6 years experience in the office and knowing the foreign languages which are necessary for the proper fulfiment of the duties, I think Mr. George Woytkiw is the logical choice.

The CHAIRMAN: That would be Dr. Roche?

Mr. BOWMAN: Approved "W.J.R." Then there is a memorandum: "I am in favour of Mr. Stewart." Entered below that are the initials J.E.T. I suppose, Mr. Tremblay, those would be your initials?

Mr. TREMBLAY: Yes.

Mr. BOWMAN: And after the initials "N. MacT."; those would be your initials, Dr. MacTavish?

Dr. MacTavish: Yes.

The Chairman: Does that memorandum show whom Boutillier and Luchkovich recommended?

Mr. Bowman: Nothing except what I have given. Are these letters on any other file?

Mr. Tremblay: They might be kept separately in a personal service file.

Mr. Tremblay, examined.

By Mr. Bowman:

Q. Will you please explain, Mr. Tremblay, what you mean by kept separately?—A. Well, I think all the members' correspondence is kept not on that file but in a personal service section of the Commission.

Q. Is that to protect the members or to protect the Commission, which?—A. I do not know. That procedure existed before I went there.

Q. Can you tell me any logical reason why a member's letter should not form part of the file?—A. Oh, yes, here they are.

Q. Now, what file is this I have just been handed?—A. I think you must now have the personal file, perhaps. That other is the general competition file.

Q. The file I am reading from now is what file?—A. The personal file of the man. There are two files in each instance. The Commission competition file and the personal file, which I think you are reading from now.

Q. Well then, will you just explain to me what you said a moment ago with respect to letters from members of parliament?—A. I think, perhaps, Mr. Bland could tell you.

Q. I understood you to say that letters from members were not put on the public file; but they were put in a private file; is that correct?

Mr. Bland: I think what Mr. Tremblay is referring to is that a separate index is kept so that they may be immediately available, but the letters are placed on file.

Witness: I am mistaken. I thought they would be kept on file.

Mr. Bowman: I think it would be a rather peculiar procedure if a member of parliament was not prepared to have a letter to the Commission open to the public.

Mr. Bland: Oh, no.

Witness: That is not what I mean.

By Mr. Bowman:

Q. Now, Mr. Tremblay, would you explain why you did not support the man graded first for merit; why you supported Stewart instead of Woytkiw?—A. I thought Mr. Stewart had the advantage of education and more experience than Mr. Woytkiw.

Q. More experience in what way?—A. Generally. Mr. Woytkiw is a young man of 22 years of age and the other man is 43 and certainly has more experience, and his education, I think, is superior.

Mr. Chevrier: I am getting old and I cannot hear very well, Mr. Tremblay.

The Witness: In my opinion, Mr. Stewart's qualifications and educational experience were superior to that of Mr. Woytkiw.

By Mr. Bowman:

Q. That, apparently, is not according to the rating that is on file. The rating on file here gives Mr. Stewart for education "good" and Mr. Woytkiw for education "very good"?—A. Yes, but if you look at the education given—

Q. All right. Mr. Stewart's is primary school 1890 to 1899, business college 1902-1903, teacher's course 8 months. The other man's education is primary school 1911-1917, which is practically the same, high school 1917-1920 which, I think, is better than the other man's; private school studying Ukrainian language 1909-1911?—A. He was rather young then.

Q. When he went to primary school?—A. To private school, he was rather young.

Q. It apparently was prior to the time that he took his primary school education. Was that the ground that you decided upon in this particular case?—A. No, taking both the education and the experience of both men.

Q. One man had been experienced in a post office for 7 years immediately preceding his application?—A. Yes, but he was only 22. So, in my opinion—

By the Chairman:

Q. You think experience gained prior to the age of 21 is of no use?—A. It may be of use.

Q. Sometimes we learn more hard lessons by experience.

Dr. MacTavish, Examined.

By Mr. Bowman:

Q. Dr. MacTavish, would you say why you favoured Mr. Stewart for the appointment?—A. I do not wish, Mr. Bowman to reiterate just what Mr. Tremblay said, but I regarded Mr. Stewart as better educated and more experienced, and while the young man had prior to 22 years of age 6 years of experience in the post office, Mr. Stewart at a maturer age had 2 years, in a post office even of that importance 2 years should be enough for any man to grasp the essentials of its conduct.

Q. What do you mean by maturer years?—A. Well, this young Woytkiw must have started if he had 6 years at 22—he must have started about 16. His education is given 2 years at private school. He was 4 years of age. They may have private schools there in Ukrainian language.

Q. Not 2 years of age?—A. Four. Is it not 4 to 6? I think you will find that it was 4 to 6 would be the two years of private schooling he had in Ukrainian private school. It says there—

Q. All right?—A. But in brief I preferred the education of Mr. Stewart, and again, without wishing to bring that up, there was that added factor of a married man, but I do not insist on that.

Q. You say that one man had experience at an early age in the management of the post office. I point out that this report was filed in 1927, and the experience which he had was 20 years before that in 1907-1909, so that he would be a young man at the time he had his experience, and he only had two years

The CHAIRMAN: How old was he at the time?

Mr. BOWMAN: About 20. He was 43 at the time of the application.

The WITNESS: Pardon me; he would be 23 when he had his experience.

The CHAIRMAN: So he had 2 years' experience from 21 to 23 years of age, whereas the other man had 7 years' experience from 15 to 22. Is that the comparison?

Mr. BOWMAN: Six or seven.

The WITNESS: The young man was assisting his father, as I recall it, in the post office from 16 to 22. Even with that added difference in period of time I regarded Mr. Stewart as the better qualified for that post office.

Mr. BOWMAN: Perhaps, Mr. Bland, you will show me where Mr. Boutillier's letter is.

The CHAIRMAN: And Mr. Luchkovich's letter.

Mr. BOWMAN: I have Mr. Luchkovich's letter.

By Mr. Bowman:

Q. You say you again emphasize the fact that one was married and one was single?—A. No, I do not emphasize it.

Q. You mentioned it?—A. Yes, I said without wishing to stress that point I again mentioned it.

Q. You must have given some weight to it?—A. It is on our application form. It must be there for a purpose.

Q. Do you give any weight to it?—A. I have answered that so often. I do give some weight in circumstances.

Q. Now, you have on file two letters to which I have referred, one under date of 16th June, 1926, to William Foran, Secretary of the Civil Service Commission, Ottawa:—

> DEAR SIR:—The Postmaster General has been good enough to notify me as to the vacancy created by the resignation of Mr. Fred Woytkiw, the postmaster at Mundare, Alberta. I understand that Mr. Fred Woytkiw, who has acted as assistant postmaster for six years, is applying for the position. I sincerely trust that his record for faithful service will give ample reason for appointing him to the position applied for, thus according him merited promotion.
>
> Obediently yours,
>
> (Signed) A. M. BOUTILLIER,
> *M.P. for Vegreville.*

That letter, I suppose, was before you at the time?—A. I presume it was. I do not remember.

Q. There is another letter under date of November 24, 1926, from Mundare, Alberta, to the Civil Service Commission, Parliament Buildings, Ottawa:—

> DEAR SIRS,
>
> *Re,* appointment Postmaster Mundare, Alta.
>
> A delegation composed of influential citizens has been sent to me, the undersigned, a member of Parliament of the House of Commons, in order to draw my attention to current rumour in my constituency of Vegreville, that in the district of Mundare, endeavours are being made for an appointment of a postmaster for the town of Mundare, Alberta, and for such purpose political influences are being employed.
>
> While I give no credence to such a rumour, it would certainly raise a strong suspicion of its truth were a qualified and highly efficient young man, to whom there is no complaint attachable, now in charge of the said post office, replaced by an unexperienced and less qualified man, and this is too important a civil service appointment to be tacitly viewed upon by the public.
>
> It is said that the man designated for such appointment is one Mr. Stewart, an ardent Liberal supporter. While Mr. Stewart is known in the district as a very respectable gentleman, the question is about his qualification as a postmaster in such a district as Mundare.
>
> It is said that at the post office at Mundare, a very large business is being daily transacted—this could be verified from postal reports. To put an inexperienced man in charge of such a post office in any community, would surely be unwise. It is too large an enterprise for a beginner. Moreover, this community is 95 per centum composed of

foreign element of unpronouncable names for an English speaking person as Mr. Stewart. The older people that have not been in school in this country, and the new coming immigrants that yearly settle in this district in great numbers, do not know as yet the English language, and it is of imperative importance that a postmaster should be able to understand them. While it is true that these people should endeavour to learn the English language as soon as possible, still the post office in my opinion could not be the medium of such learning.

The man in charge of the said post office at the present time is a young gentleman, George Woytkiw, an adopted son of Fred Woytkiw, who was here a postmaster for a number of years, but has recently resigned to accept a provincial government job as a liquor vendor. This young gentleman, George Woytkiw, has been an assistant in this post office for the last six years, and is thoroughly acquainted with the business, and since the resignation of his adopted father, has been solely in charge of this post office, and I believe you might find in your records that he has been doing a satisfactory work. George Woytkiw is a young Canadian of Ukrainian descent, has a high school education, and besides the English language is able to converse with all the Slavonic languages, and there is no person in the district whom he would not know by name, or be able to understand his language. I am informed that this young man prays for official appointment as a postmaster at Mundare. He has six years experience in the post office of Mundare, and his efficiency is unquestionable, and the character irreproachable. He is punctual, orderly, courteous, and kind, and has no political affiliation. I cannot think of a better qualified man for this post office. I do not presume to recommend this very man for appointment, but I humbly suggest that an appointment of a man for this position with inferior qualifications to this gentleman would certainly jeopardize the public service.

The delegation that was sent to me is of the opinion that it is my duty as their parliamentary representative to bring to your notice the foregoing facts, so that you may have an ample information, on the basis of which you may deliberate as to the best appointment for the above mentioned position, for the greater good of the public service.

(Signed) MICHAEL LUCHKOVICH,
Member for Vegreville Cons.

Now, do you still say in spite of the two letters I have read, one from Mr. Boutillier and this letter I have just read from Mr. Luchkovich, and with the material on file that you still consider Mr. Stewart the best man for the position?—A. Yes, quite.

Q. And you note that Mr. Luchkovich calls attention to the current rumours that are in that district:—

> A delegation composed of influential citizens has been sent to me, the undersigned, a member of parliament of the House of Commons, in order to draw my attention to current rumour in my constituency of Vegreville, that in the district of Mundare, endeavours are being made for an appointment of a postmaster for the town of Mundare, Alberta, and for such purpose political influences are being employed.

You had that in mind, I suppose?—A. Yes. I had more than that in mind, Mr. Bowman. That letter, with all due respect to it, I think, in my estimation, is highly prejudiced in favour of Mr. Woytkiw.

The CHAIRMAN: It seems to have sound reason behind it.

The WITNESS: He says, "as against Mr. Stewart, a man with no experience." Now, Mr. Stewart had two years experience in that very post office.

By Mr. Bowman:

Q. Twenty years previously?—A. Well, it was two years experience.

Q. I am just making the remark; it was twenty years previously?—A. As to the charge of political influence, I know of none; but it would strike me that there was in that instance political influence in favour of Mr. Woytkiw.

Q. And what about Mr. Boutillier?—A. Likewise.

Q. In view of the rating which was given by the Examination Branch it would rather make it doubtful to any unprejudiced person to go over the file, would it not, Dr. MacTavish, and perhaps say that Mr. Luchkovich is right?—A. I say unprejudiced. I do not think so.

The CHAIRMAN: Was Mr. Boutillier the member for this constituency in June, 1926, and, apparently, defeated by Mr. Luchkovich between June and November?

Mr. VALLANCE: In the 1926 election Mr. Luchkovich defeated him.

The CHAIRMAN: What politics had Mr. Boutillier?

Mr. VALLANCE: U.F.A.

Mr. BOWMAN: Are there any further remarks which any member of the Committee would care to make in respect of this matter?

The CHAIRMAN: Anything else, gentlemen?

Mr. CHEVRIER: Not on this case. I suppose Mr. Bowman has some more cases?

Mr. BOWMAN: Yes. I refer now to a file with respect to the appointment of a postmaster at Fort Coulonge, province of Quebec, and the first letter on the file is the usual notification from the Commission bearing date of September 24, 1926, advising a vacancy and a request that the usual advertisement for the vacancy take place. I come at once to the memorandum from the Examination Branch which bears the date of November 29, 1926. The applicants and order of merit from a postal service standpoint are set out as follows: 1. Octave Normand; 2. Auguste Carlson; 3. Miss. Blanche Bertrand; 4. Joseph L. E. Merleau; 5. Marc A. Le Guerrier; 6. Mary E. Retty.

By Mr. Bowman:

Q. Mr. Tremblay, may I ask you a question? In connection with this file, there is a note, bearing your initials, in which you say that Miss Bertrand "seems to be provided for, since she is a storekeeper." The fact that a person is a storekeeper, does that bear against them in the judgment of the Commission?—A. No. That note, I think, refers to a paragraph in the report of the Examination Branch, "Mr. Normand, on the other hand, is single and appears to be provided for in view of the fact that he states he is in partnership with his father, who operates a saw-mill." Miss Bertrand was in the same position, I thought. That is what it refers to.

Q. The fact that a person is a storekeeper should not, surely, bear against him.—A. No, not at all.

Q. As a matter of fact, in most of the rural places, the post offices are held by storekeepers. I refer now to the appointment of a postmaster at St. Catherine, Portneuf, in Quebec. As usual on the files, first I see notification from the Post Office Department to the Commission under date of March 4, 1927. From the examiners' department, the following is the report:—

The CHAIRMAN: What is the date?

Mr. BOWMAN: August 29, 1927. Mrs. Beaumont and Jules Julien and Miss Eugenie Juneau were placed in the order just named, first, second, and third.

The CHAIRMAN: Would you name those again?

Mr. BOWMAN: Mrs. Felicité C. Beaumont, Jules Julien, and Miss Eugenie Juneau. Mrs. Beaumont, apparently, was eliminated in the first place because she was a married woman living with and supported by her husband. But subsequently a communication went forward to the commission from the department which in part was as follows—by the way, is that letter on file? This is just an excerpt from it as quoted in the report.—A. Which one is that?

Q. Letter from the department, referring to the case of Mrs. Beaumont.—A. There is one here which refers to Juneau.

Q. This is the excerpt: "I may say that the department has just been informed that Mr. Pierre Beaumont was desirous of obtaining the appointment but through a misunderstanding had the form of application completed by his wife. It has now been requested that Mr. Beaumont be considered as an applicant. The department would, therefore, be pleased to be advised as early as possible as to whether the Commission would consider Mr. Beaumont's application if submitted at the present time."—A. That is not on this file.

Q. It should be some date prior to August 29.

Mr. MACTAVISH: It is there somewhere.

Mr. BOWMAN: Here it is. That is practically all the letter. That practically covered the whole letter, the formal part of it. On the left of the memorandum there appears the following, under date of May 12, 1927: "As Mrs. Beaumont made application instead of her husband through a misunderstanding, I think Mr. Beaumont should be asked to complete an application form and the inspector requested to report on Mr. Beaumont's candidature along with the others. J. E. T." Those are your initials, Mr. Tremblay? And Dr. Roche and Dr. MacTavish's initials appear under the following:

> I do not think the Commission should commit itself until the report of the District Superintendent should be received.

Then, on a subsequent report, to which I have already referred under date of August 29, 1927, I find a notation. There is a notation on the report reading as follows:

> Mr. Beaumont is well qualified and the District Superintendent ranks him first in order of merit. Experience in such a small post office as Ste. Catherine, can be discounted to a large degree.

I do not know whose initials those are.—A. J.R.A.B., Mr. Baril.

Q. Under that it is "Mr. Beaumont, N. MacT., J.E.T. That is Dr. MacTavish and Mr. Tremblay final appointment of Mr. Beaumont.—A. Yes.

Q. Below that is this memorandum:

> From the standpoint of education and post office experience, undoubtedly Mr. Julien is the better qualified. His application was also filed within the time limit, and Mr. Beaumont's was not. For some time I have been skeptical of the impartiality of many of the reports received by the Commissioners, they so frequently harmonize with the recommendations of the members of parliament. Had Mr. Beaumont the post office experience that Mr. Julien has, and had been supported by a petition of 275 patrons of the office, I feel confident this fact would have been prominently featured. W.J.R. 12/9/27.

Those, by the way, Doctor, are your initials?

Dr. ROCHE: Yes.

Mr. BOWMAN: What did you mean, Doctor, in making that recommendation?

Dr. ROCHE: It struck me that the facts as stated in their applications and in the summary of the examination branch did not warrant the rating that was given by the District Superintendent.

Mr. BOWMAN: To Mr. Beaumont?

Dr. ROCHE: Yes. And the fact that his application did not come within the time limit, and Mr. Julien's did was in favour of the man who complied with that advertisement first. As to my explanation about the suspicion I had about the impartiality of the District Superintendent's report, I have noticed that fact, that in a number of cases it left the impression upon myself, and I think in other instances, upon my colleagues as well, that they have not been entirely absent from some influences outside of themselves, and that was my diagnosis of why they placed the order of merit in the face of their own reports.

Mr. BOWMAN: That is, in this particular case.

Dr. ROCHE: Yes.

The CHAIRMAN: In this case, Doctor, the wife was first placed in order of merit in spite of the second man's qualifications, and then when she was disqualified, because she was being supported by her husband, they allow a substitution after the time for application expired, and then rated her husband highest.

Mr. BOWMAN: All those facts made you think that the Post Office inspector's report was somewhat coloured.

Dr. ROCHE: Yes, I think so.

Mr. BOWMAN: Have you any remarks with respect to the matter, Mr. Tremblay or Mr. MacTavish?

Mr. TREMBLAY: I do not think so.

The CHAIRMAN: The Chairman of the Commission on this case, as in others, seems to have displayed intuitive power.

Dr. ROCHE: You are required to be a good diagnostician.

The CHAIRMAN: It is part of your training, doctor.

I just want to make an explanation in justice to Mr. Tremblay. This morning I was asking Mr. Tremblay some questions as to whether or not it was a customary practice for the Postmaster General to communicate with him in view of the fact that the Post Office Department was under the chairmanship of the Commission. And I asked Mr. Tremblay to name me any occasion since July, 1930, where the Postmaster General had communicated with him. Before the Committee met this afternoon I was in here ahead of anyone else, and Mr. Tremblay showed me a file which I would judge contained 50 or 60 communications in it from the present Postmaster General, communicating directly with Mr. Tremblay, in respect to post offices in the province of Quebec, which satisfied me that it was a customary practice of the Post Office Department to communicate with him. If any other members of the Committee want the file it is available there.

Mr. BOWMAN: Then, with respect to the post office at St. Ignace Montmagny, in the province of Quebec. The first letter on this file is under date of March 3, 1927, advising the Commission of the usual vacancy and asking them to proceed to fill the position. The next memorandum on the file is the memorandum addressed to the Secretary under date of May 11, 1927. The applicants in order of merit from a postal service standpoint are set out in this report as follows: 1, Thomas Guimont, 2, Miss Camille Bossinotte, 3, J. Florian Fraser, 4, Jos. H. Bernier, OAS, 5, Amedée Bernier, OAS. By the way, opposite Mr. Jos. Bernier's name is noted his age, 31, and single. 5, Amedée Bernier, OAS, age 30, single; 6, Joseph Labe, and 7, Joseph Mathieu, OAS, age 30, married. Bossinotte, Fraser, Guimont and Labe are all eliminated, leaving those in the

order of merit, Jos. H. Bernier, Amedée Bernier, and Joseph Mathieu, all apparently having soldiers' preference. The notation proceeds as follows:—

> The remaining three candidates are qualified as to citizenship, and have resided, respectively, 30, 20 and 16 years at Cap St. Ignace. Their character and integrity are rated "very good". And the accommodation and location they offer are suitable.
>
> Mr. A. Bernier and Mr. J. H. Bernier have practically the same educational qualifications, having attended school until the age of 17. Those of Mr. Mathieu are inferior. The first mentioned has had experience as Timber culler and forest ranger; the second, clerk in a dry goods and general stores; and the third has been a labourer all his life.
>
> Mr. A. Bernier is the only OAS applicant who would give the post office full time attention and as he appears to be qualified in all respects for a position of this nature, the examination branch recommends his appointment.

That letter is under date of May 11, 1927. Perhaps Mr. Bland, you would step here for a moment, and tell me what those initials are.

Mr. BLAND: J. C. G. H., Canadian Legion.

Mr. BOWMAN: Approved by Mr. Herwig, on the part of the Canadian Legion.

Mr. BLAND: Yes.

Mr. BOWMAN: And approved by Dr. Roche.

Mr. BLAND: Yes.

Mr. BOWMAN: "As Mr. Mathieu is the only married man of these three, I am in favour of his appointment on that score. N. MacT." That is the memorandum approved by you, Dr. MacTavish.

Dr. MACTAVISH: Yes.

Mr. BOWMAN: Below that are, I think, your initials, Mr. Tremblay, J. E. T.

Mr. TREMBLAY: Yes.

Mr. BOWMAN: "Entered in minutes, August 6, 1927, M. B.; noted by C. H. B."

The CHAIRMAN: Is Mathieu the first man?

Mr. BOWMAN: Mathieu is the lowest man.

The CHAIRMAN: What was his rating by the Post Office inspector?

Mr. BOWMAN: He was rated 7th. Finally, when the other four were taken out, he was rated lowest of the three left.

The CHAIRMAN: Any O.A.S.?

Mr. BOWMAN: Yes.

The CHAIRMAN: So he was entitled to preference?

Mr. BOWMAN: Yes. The two Berniers and Mathieu were all entitled to soldiers' preference, and all in the same class. Now, there is a notation further down the list as follows: "To appoint a man of inferior qualifications merely because he is married is rather a novel procedure not heretofore adopted, for which there is no authority in the C.S. Act. I fear such a precedent will give rise to considerable trouble. A part time man is also being preferred to a full time. W. J. R." See District Superintendent's report, and below that is noted N. MacT. and W. J. T.

Now, Dr. MacTavish, will you just explain why you preferred Mr. Mathieu, the lowest man on the list?—A. Yes, I think—

Q. Lowest in order of merit.—A. I thought they were equally qualified. You see, they are the only returned soldiers, and the list as made out with

the superintendent's report is considerably changed after all those others have been eliminated, leaving 1, 2. 3, Joseph Bernier, Amedée Bernier, and Mathieu. I did not agree with our Chairman as to the setting of the precedent. It is not a precedent in my estimation. It was merely a reason for this case. If it were taken as a precedent, because it was used in this case, that was not the idea of myself and other members of the Commission, that we would be tied up to it. I therefore did not regard it as a precedent. As to the part time qualifications, it is a very small post office, and I scarcely think any one of those men would devote his full time to it.

Q. The report— —A. Oh, yes, but still I have finally to say whether I accept that or not.

Q. You have finally to decide whether the report is true or not?—A. Whether I think that—

Q. Whether you think it is true or not?—A. Whether I think that Mr. Mathieu or Mr. Bernier or Mr. Amedée Bernier was the best man for the position.

Q. No. I am referring to the full time and part time about which you started to discuss. The report says Mr. Bernier is the only applicant who would give the post office full time attention. Did you have any reason to doubt that?—A. Only the size of the post office.

Q. Anything else?—A. No.

Q. It was just a guess or surmise on your part?—A. No; I do not think you could quite say that.

Q. What else was it?—A. The word "intuition" was used a moment ago. I might use that.

Q. Intuition?—A. Yes, that word was used a moment ago.

Q. So that you intuitively thought that Mr. Bernier might not give full time attention to this post office; is that correct?—A. I thought that, and my other reasons which I have given that there was a better man; that he was not the best man in my estimation.

Q. Will you please answer the question? You intuitively thought that Mr. Bernier would not give full time attention to the office?—A. No.

Q. That is what you said.—A. No. Pardon me. You asked me if I intuitively thought that Mr. Mathieu should be appointed.

Q. No, I did not.—A. That was part of my reason.

Q. Pardon me. I understood you—it was you who suggested the word "intuition."—A. That was said a moment ago; I merely reiterated it.

Q. You followed that up and said by intuition and the size of the post office Mr. Bernier would not give his full time attention to it.—A. No, I do not think I said that.

Q. Did you not say that?—A. I said this, it is unlikely, and I will use the word intuitively, in my estimation, according to my intuition, put it that way, it is unlikely that a man would give full time to a post office of that size. I consider Mr. Mathieu who had sufficient assistance could give the time necessary to that post office.

Q. What information had you with respect to Mr. Mathieu that is not on this file?—A. I had the files as they are there. I think it says there, where his application form is, that the assistance of his daughter would be some assistance.

Q. This is what the report says:

> Mr. A. Bernier and Mr. J. H. Bernier have practically the same educational qualifications having attended school to the age of 17. Those of Mr. Mathieu are inferior.

A. That is what the report says, yes.

Q. Is that not true?—A. I did not accept the report.

Q. You did not accept the report? Why did you not?—A. Because I think they are very equal.

The CHAIRMAN: Is there anything in the report that says specifically what Mathieu's education was? It does set out what Bernier's was, public school and high school apparently. Look on the application and tell me first what was each man's education, and then what was each man's previous occupation and experience.

Mr. BOWMAN: I have already read out with regard to experience.

The CHAIRMAN: Have you got the application?

Mr. BOWMAN: "The first mentioned has had experience as timber culler and forest ranger; the second, J. H. Bernier, clerk in drygoods and general stores, and the third, Mr. Mathieu, has been a labourer all his life."

The CHAIRMAN: It is a comparison between a clerk in a drygoods store and a labourer for postmaster.

Mr. BOWMAN: Yes.

The CHAIRMAN: What was the educational difference between J. A. Bernier and Mathieu? Let us have, Mr. Bland, their educational qualifications.

Mr. TREMBLAY: It is in French.

Mr. BOWMAN: Will you refer to Mr. Mathieu's education?

The CHAIRMAN: J. A. Bernier and Mathieu are the two I want to compare.

Mr. TREMBLAY: You want me to translate it?

Mr. BOWMAN: Read it, please, in English; translate it.

Mr. TREMBLAY: "I have had to work at various times for a lumber dealer during the last four years, and I am still with him at present. I undertake to keep the office as it has always been kept. My wife is capable of keeping it. That is to say she has no diploma. That is for the reason that I have a girl who has a diploma who will—"

The CHAIRMAN: Excuse me, what I am interested in is their education.

Mr. BOWMAN: Let him finish.

Mr. TREMBLAY: "The girl who has the diploma will be able to keep the office."

The CHAIRMAN: What is that?

Mr. TREMBLAY: Education.

The CHAIRMAN: Is there anything to show what his education was,—primary school until the age of 14. Will you turn to J. A. Bernier, Mr. Bowman. That is the one I want.

Mr. TREMBLAY: Complete commercial course at the college of St. Anne de la Pocatiere, 1909 to 1912.

The CHAIRMAN: Excuse me, Mr. Tremblay. Before he took the complete commercial course he would have to have a common school education, would he not?

Mr. TREMBLAY: Yes.

The CHAIRMAN: He left school at what age, 17?

Mr. TREMBLAY: He had a primary school education, plus 3 years of commercial course.

The CHAIRMAN: He had a primary school education, plus 3 years of commercial, and left school at 17 years as against the other man having a primary school education until he was 14.

Mr. TREMBLAY: Mathieu is the man who got the appointment.

Mr. BOWMAN: That is quite true.

Dr. ROCHE: That is the other Bernier.

Mr. TREMBLAY: That is Bernier, Amedée Bernier. It says:

Couvent de la Paroisse until the age of 15; two years commercial course at the College of the St. Anne de la Pocatière, and a special course in Mathematics, leaving school at the age of 17.

Mr. Bowman: Do you mean to say, Dr. MacTavish, that Mr. Mathieu had the better education of the two?—A. No, I did not mean to say that, sir.

Q. I thought you said something to that effect. Did I misunderstand you? —A. Education is only one of the qualifications; only one of the factors.

Q. Will you tell me the factor which decided the position for Mathieu?— A. I know if I say a married man you will think that I am harping on the marriage factor all the time.

Q. I am not thinking of your harping on anything. I want to know what your judgment is?—A. It is not just because he is married; but he had a daughter who would assist in the post office, who had a diploma and was well qualified to carry on the post office.

By the Chairman:

Q. How does that make him superior to a man who had the education himself, without the use of his daughter to accomplish the same purpose. Daughters get married?—A. I am giving my reason. That is my reason. I thought Mr. Mathieu was the most entitled to that position.

By Mr. Bowman:

Q. Let us take that. It was not on Mr. Mathieu's education and ability that you made the appointment—decided in his favour—it was on the education of his daughter?—A. No, on all the circumstances.

Q. Tell me some of the circumstances; tell me one?—A. I say the difference that he had schooling to 14, the other man was rated up to 17, a difference of 3 years.

Q. Let us take the question of education. In your opinion which of these men had the best education, Mathieu or Bernier?—A. Bernier.

Q. That is settled. There is nothing in favour of Mathieu on that score? —A. No.

Q. Go to your next point?—A. Do you wish me to go? You took education.

Q. Go to the next point?—A. The next point is his other qualifications; his experience in the lumber business.

Q. His experience as a labourer all his life.

The Chairman: He was a labourer all his life as against the other man being a drygoods clerk.

By Mr. Bowman:

Q. Will you please go to the next point, Dr. MacTavish?—A. I have not read this over. I will just read them over now. Now, may I read this. This is as to Bernier: "The first mentioned has had experience as timber culler and forest ranger." That would be about equal to Mathieu, the second, a clerk in drygoods and general stores, the third has been a labourer all his life.

By the Chairman:

Q. Now, it was the fellow who was labourer all his life who got the appointment from the man who had been a clerk in a drygoods store?—A. In all the circumstances. I do not say he had more education. In all the circumstances he was the one I was in favour of appointing and still would be.

By Mr. Bowman:

Q. Now, you have two things: You have the point of education which you say was in favour of Bernier. Then you have the point of calling, his experience.

One was a drygoods clerk and the other man was a labourer all his life. Now, have you any other point you wish to bring out?—A. I have not granted you that the others in experience were ahead of Mathieu.

Q. Do you say so now?—A. No.

Q. What do you say?—A. I think they were about equal.

Q. The man who had been a labourer all his life was about equal for a postmaster's job with the man who had the education of the other chap, a commercial school education?—A. An education until 17 years, but a commercial course, as I understand it, in the province of Quebec, is not the same as a commercial course elsewhere.

Q. He would be just as good as a man leaving school at 14?—A. Oh, yes.

Q. Now, what other points did you take into consideration in making the appointment?—A. I took his circumstances as a married man with the assistance he had of his wife and daughter.

Q. Did you say because he was a married man?—A. I took the circumstance of his being a married man.

Q. Then you say that because he was a married man you made his appointment?—A. Oh, no.

Q. Well, then, you have not got anything else in his favour?—A. That is a a factor over the others.

Q. That is a factor?—A. I think it is.

Q. Did you weigh it as such?—A. Yes, I did.

Q. And because he was a married man you appointed him?—A. No, no, not wholly. I took that circumstance—

Q. Tell me some other circumstance?—A. For instance, I think I told you that it is altogether unlikely that any one of these three would devote his whole time to the post office and that the post office would more likely be in better hands in the hands of Mathieu.

Q. Why? You have told me one reason and that is because he was a married man. Tell me another?—A. Because he had his well qualified daughter there, if he was not there all the time, to look after it.

Q. Anything else?—A. I cannot see anything else.

Q. You have it now because he was a married man and because he had an educated daughter. So you took into consideration the education of a man's family?—A. No, I took into consideration, Mr. Bowman, pardon me, all the circumstances, and I have given the circumstances.

Q. All the circumstances you have mentioned?—A. I have given circumstances, and those are the circumstances under which I preferred Mathieu over the others.

Q. The fact that he was married and the fact that his daughter had a diploma?—A. I am not going to put it that way, precisely that way.

Q. Tell me something else?—A. I can tell you. You have got to take into consideration the fact whether these men would give all their time to the post office.

Q. Now, as to that you have the definite report that Bernier would give his full time. Surely that is in favour of him over Mathieu?—A. If you believe it, yes.

Q. Is there any reason why you should not believe it?—A. The size of the post office.

Q. Why should you give Mathieu any advantage over Bernier because none of them— —A. I put them the same as to that.

Q. Have you anything else to add?—A. No, Mr. Bowman.

Mr. TREMBLAY, examined.

By Mr. Bowman:

Q. Mr. Tremblay, what do you say?—A. Perhaps in translating the application form I referred to the girl. He said he had a girl. He did not mean a

daughter, but a girl he had hired to assist him. With regard to this I must admit I think I took into consideration the fact that out of the three returned soldiers he was married. He was reported as having a fair education, able to carry on the office.

Q. Where is that that he has a fair education?—A. It is stated here, "educational qualifications, fair."

By the Chairman:

Q. Is that from the post office inspector's report, Mr. Tremblay?—A. Yes, sir.

By Mr. Bowman:

Q. The other two men were rated higher for education?—A. They were better educated.

Q. Now, as a matter of fact, as far as you are concerned, he was appointed because he was a married man? Is that correct?—A. Yes, out of the three. I agree in this instance I allowed for the fact that he was married and the others were single.

Q. We are trying to get the ground on which these decisions are made, because they require some explanation. Now, Mr. Tremblay, may I pursue that a little further. Do you not think, to be absolutely fair to the competitors when you are going to give preference to a married man, should you not find all the circumstances with respect to married and single men? May I carry that a step further. Supposing that you had a case where the married man had perhaps a little farm or a little store, had enough to carry on with, and perhaps the single man might be in much worse position?—A. Possibly.

Q. He might have dependents of some kind, mother, father or relatives?—A. It is possible.

Q. Do you think it is quite fair, just on the applications as they have been going into the Commission, to decide on the surface that a married man gets preference over a single man?—A. Well, that is not the only thing taken into consideration.

Q. But in this case, Mr. Tremblay, you have been fair enough to say that that was the consideration?—A. It was the consideration of all three men. There were three returned soldiers. Two were single and one was married. He was reported upon as having a fair education, able to carry on the work of the office, and admitting I allowed the fact that he was married to weigh in his favour—

Q. You can see the position it might put the Commission in?—A. I can understand.

By the Chairman:

Q. Mr. Tremblay, has it been customary in exercising your judgment for appointments in the Civil Service to give married men the preference over single men, other things being equal?—A. In some instances we give preference to married men, especially.

Q. Was it customary, or are these instances where you gave the married man the preference the exception?—A. Well, in a case like that. There must be other cases similar to that.

Q. I realize that. We have had cases here where that seems to have been the deciding factor; but I say, is it customary in making appointments in the Civil Service Commission under this present statute and under this present merit system to give preference to the married man over the single man in making appointments?—A. Other things being equal, so far as I am personally concerned, I would give the preference to the married man.

Dr. MacTavish, examined.

By the Chairman:

Q. Do you agree with that, Dr. MacTavish?—A. Not wholly, but I do not know.

Q. To what extent do you differ, because I think it is well that the public should know the basis on which this merit system is operated. So far we have been led to believe it was always the person ranking highest in order of merit and not a matter of whether he was a benedict or a bachelor that had anything to do with it?—A. So far the order of merit has not been established.

Q. We will not quibble over that.

Mr. Bowman: You mean it is not established before the Commission decide?

The Chairman: The Commission decide, but they may decide that the fifth man is first, and that is merit; but the public do not accept it that way nor does this committee. When I speak of the order of merit of postmasters I am talking of the recommendation of a department passed on by the recommendation of your Examination Branch.

By the Chairman:

Q. Dr. Roche, what is your attitude on the married and single question? —A. My attitude is set out on that notation which I made on the file.

Q. You think it has no place in the merit system?—A. It would be exceptional cases.

Q. I think so.

By Mr. Bowman:

Q. Before any preference should be made, am I correct in saying this, Doctor, that you should have the fullest possible facts with regard to the competitor's financial position, and so forth, before there should be given any advantage to the married man.—A. Of course, there is some guide in the reports that are made to us there in regard to their particular position that they are now occupying. Perhaps, if there is the labourer, it shows that he has not got very much income. And then, a single man, as you intimated this morning, may have dependents who are young children. It would be a question before the married man should have preference over a man like that. I would not say he should. But there would have to be exceptional circumstances, where perhaps other factors are about equal, and there was a married man who probably was engaged in no very remunerative employment, as against a single man who perhaps was better fixed so far as the files show his financial—

Q. But the Commission would have to be fully familiar with these facts? —A. Oh they would, yes.

Mr. Chevrier: Mr. Chairman, there is an aspect that has gone through my mind, and I have given some thought to it. I find that Mr. Bowman this morning submitted a case that may help to clarify it. I refer to the Belwood case. I just want to put it this way, and if at any time the Commissioners of the Civil Service Commission find they can help me out, I shall be delighted to get their help. I find on the file that the appointment of Mr. White was supported by the petition of 21 names. Then, the next I find a letter dated Belwood, December 28, 1927, signed by Mr. Hugh MacDonald, recommending Mr. White.

The Chairman: That is the case where a 71-year old man was appointed.

Mr. Chevrier: Yes, the old gentleman.

Mr. Bowman: Pardon me, Mr. Chevrier, that was filed by Mr. Lawson.

The CHAIRMAN: I referred to that this morning.

Mr. CHEVRIER: I am sorry, Mr. Bowman. Then I find a memorandum to the secretary. I leave out the headings. I find that "Mr. White, 71 years of age, married and father of one son (grown up) is a native Canadian and has resided 11 years at Belwood.

Education: common school.

Experience: private banking 10 years; general storekeeper 3 years; cattle buyer 20 years; assistant in post office at Rothsay, Ontario, 3 years; supervisor of public library for the last four years.

Remarks of District Superintendent: Notwithstanding his age, he is especially active and his mental faculties are in no way impaired. He also stands very high in the estimation of the residents, and his appointment as postmaster would be very popular and receive the approval of the patrons and residents."

The CHAIRMAN: I read that this morning.

Mr. CHEVRIER: "In the event of his appointment, Mr. White would continue the office in its present location and devote full time to the duties, with the assistance of his wife. His character and integrity are rated 'excellent' and he is suitably recommended.

> Mr. Bradley:—59 years of age, married and father of four children; a British subject, born in England and has been in Canada 55 years, all of which time has been spent at Belwood.

The CHAIRMAN: I do not want to interrupt you, Mr. Chevrier, but I read all that this morning.

Mr. CHEVRIER: I want to make sure that the whole memorandum was read into the record.

The CHAIRMAN: I read the whole thing this morning, except the formal part. That is just the part there where it says "Memorandum dated—"

Mr. CHEVRIER: That being so, I am satisfied. I will take the Chairman's word for it.

The CHAIRMAN: I read it, exactly.

Mr. CHEVRIER: Well now, I want to point out so far as Mr. Bradley is concerned, there are no remarks on the part of the Superintendent, no remarks of the district superintendent. There are remarks of the district superintendent on Mr. Bellamy, and Mr. Jupp, Mr. Burns, and Mrs. Cairns. Now, I do not know whether the Chairman read into the record these last two paragraphs:—

> In view of the advanced age of Mr. White, who is placed first in order of merit, from a postal service standpoint, the matter of an appointment is respectfully submitted for the consideration and decision of the Commissioners.

The CHAIRMAN: Yes, I read that.

Mr. CHEVRIER: Clause 1. "It might be pointed out that Mr. E. A. Britton, O.A.S., 61 years of age, Hartland, N.B., was rejected as unsuitable by the department on account of age for the postmastership at that centre." That is paragraph 2.

Now, there is this notation:—

> This being so, I am not in favour of appointing a man 71 years of age when there are other qualified applicants who are much younger and in favour of second man in order of merit (Mr. Bradley).

Immediately under that I take the initials to be the initials of Dr. Roche.

The CHAIRMAN: That is right.

[Dr. N. MacTavish.]

Mr. CHEVRIER: That is approved by Mr. MacT. and Mr. Tremblay, and in red ink, Dr. Roche dissenting. Then, subsequently there is a certificate to the effect that Mr. White is appointed. Now, I am not taking objection to the dissenting judgment of Dr. Roche by far, because I believe in these matters there must be some exercise of discretion, particularly so under the statute. But where I would like the Commissioners to help me out is in regard to the eligible lists. I would like them to give me some information, because I have not yet made up my mind as to where the eligible list starts—the order of merit starts.

Mr. BOWMAN: Do you mean with respect to age?

Mr. CHEVRIER: No; with reference to the making up of eligible lists. I do not know yet where the order of merit starts.

The CHAIRMAN: There is no eligible list in cases of postmasters, because there is one man chosen and that is the end of it. They do not keep eligible lists after appointment.

Mr. CHEVRIER: I do not want to argue with you. I want to get the benefit of the Commissioners' experience and the benefit of their legal experience in their interpretation of the Act, and tell me in the case of postmasters, where there is no eligible list, whether the recommendation of the departmental officer is to be considered by them as the order of merit over which they have no discretionary power whatsoever, or whether, when there is an eligible list, so-called, drawn up by the officers of the Commission, as the result of competitive examinations, that constitutes an eligible list over which the discretionary powers vested in the Commissioners by virtue of the statute may be exercised. In other words, must they blindly accept the recommendations of the departmental officers when there is no eligible list so called, or competitive examination, or written examination, or must they blindly accept the list that has been made up through competitive examination and ratings of their own officers. That is what I want them to tell me, because by virtue of section 21, subsection 2 of the Civil Service Act—

> the Commission shall, thereupon appoint the person whose name stands highest upon the Commission's list of eligible persons for the class in which the position is found and who is willing to accept the appointment.

Now, I want the benefit of your experience to say just what that means:

> Stands highest upon the Commission's list of eligible persons.

In other words, whether you have the right to use your discretionary powers vested in you by virtue of the statute to change, alter or otherwise deal with the departmental recommendation or also to change, alter, vary or otherwise deal with the recommendations or the order in which your own officers place the candidates upon a list.

Dr. ROCHE: Perhaps you are confusing two things there.

Dr. ROCHE, examined.

By Mr. Chevrier:

Q. Maybe?—A. You speak about the Examination Branch eligible list as summarized there. The Examination Branch's list there is but a recapitulation of the district superintendent's report, and in the order of merit as placed by the district superintendent. It is not the Examination Branch's list.

Q. You will clinch the argument at once. When a list goes to the Commissioners after a competitive examination, and when that list goes before the Commissioners with names in order it is usually called in order of merit. Have the Commissioners power in their discretion to look at this list and to say, "in my judgment No. 1 should be No. 3 and No. 3 should be No. 2"?

The CHAIRMAN: Of course they have. Has anybody ever suggested that they had not?

Mr. CHEVRIER: We have been talking here about altering the order of merit.

The CHAIRMAN: Of course, the order of merit as set out from a post office standpoint, according to the inspector's report. It is the only thing the Civil Service Commission has to go upon, except the applications of the candidates, if they see fit to examine them, and the reason we are dealing with these matters here is in the exercise of that discretion and judgment which the Commission have we desire to determine whether they have exercised an intelligent, consistent and reasonable discretion in the interests of the administration of the Civil Service Act of Canada.

Mr. CHEVRIER: That may suit your purpose.

The CHAIRMAN: It is not my purpose; it is the purpose of our Order of Reference.

Mr. CHEVRIER: It does not apply to me at all. When the departmental officer sends in a list to the Commission and places the men in what he calls the order according to departmental merit—

The CHAIRMAN: Order of merit according to post office service.

Mr. CHEVRIER: All right. When he does that—The three Commissioners are present and they can answer me, but I am addressing myself to Dr. Roche at present.

The CHAIRMAN: I am sorry. They cannot correct your misstatements of what the list is supposed to do. I am merely correcting it according to the wording at the head of the list.

By Mr. Chevrier:

Q. Dr. Roche, I am now addressing you. When a departmental officer of any department sends in a list containing the names of the people whom he has interviewed, but in which there was no competitive examination and he puts them in a certain order which, through custom or otherwise, has been called the order of merit, do you, as a Commissioner, feel that you must accept that?—A. No.

Q. You can change it?—A. Yes.

Q. Then when you get a list sent in to you after a competitive examination—it may be a very important position, a very intricate examination—when it comes in to you with the names apparently in order of merit, after your officials have gone through it, do you consider that you are bound by that list, or can you alter it?—A. We can alter a list.

Q. Now, then, doctor, will you tell me where does the list in the first case I have mentioned—where does the list called the merit list start; is it after the departmental officer has given his opinion or after the Commissioners have exercised their discretionary judgment upon it?—A. After the Commissioners have exercised their judgment.

Q. After the Commissioners have exercised their judgment upon that list then the order of merit is established, and not before?—A. That is so.

The CHAIRMAN: There is no order of merit established; the other man has the job—

Mr. CHEVRIER: Please. I have not interfered.

By Mr. Chevrier:

Q. Now, Dr. Roche, when there is a written competitive examination and your officers send that list in to you, where does the merit list start?—A. As the result of the written examination? That is something that we do not change.

Q. But where is the merit list finally determined? Is it after or just the moment it comes to you?—A. After we approve of it.

Q. After you have approved of it. Very well?—A. By the way, would you mind reading again that reference to the man who was rejected, please?

Q. Doctor, I am not holding this against you, because I think in your discretionary power you had a perfect right to express the terms in which it was. This is your own opinion: "This being so . . ."?—A. What being so.

Q. Doctor, you see there is a paragraph. First of all, there are the recommendations and then there are a lot of dotted lines underneath. Then there is this paragraph: "In view of the advanced age of Mr. White, who is placed first in order of merit from a postal service standpoint, the matter of an appointment is respectfully submitted for the consideration and decision of the Commissioners."—A. There was something before that about a man being rejected.

Q. Then there is a second paragraph: "It might be pointed out that Mr. E. A. Britton, O.A.S. 61 years of age, Hartland, N.B., was rejected as unsuitable by the Department on account of age for the postmastership at that centre." And then there are some initials and "February 18, 1928." And then there is in pen and ink, immediately under these dots and leading to the memorandum which you have put in writing, this:

> this being so, I am not in favour of appointing a man 71 years of age when there are other qualified applicants who are much younger. Am in favour of second man in order of merit (Mr. Bradley).

A. Yes.

Q. I have no quarrel with you because I think you had the right to exercise your judgment.

Mr. Bowman: There cannot surely be any question.

Mr. Chevrier: No more than I could quarrel with the other Commissioners, when they exercised their judgment.

The Witness: I could not understand why a department would reject a man in one instance because he was 61 and accept another when he was 71.

By Mr. Chevrier:

Q. Though, Doctor—I want to put this in and I am through—in the case of Mr. Bradley he is the only one according to this memorandum in respect of whom the district superintendent has made no remarks. The district superintendent has made remarks with respect to all the others, stating there that one appointment as postmaster would be very popular; in another case, "he would not secure the confidence of the patrons." In another case, "he was not as efficient as those previously mentioned." In another case, "he does not stand as high in the estimation of the patrons as the other applicants." In another case, "her appointment as postmaster would not meet with favour"; but in the case of Mr. Bradley, although there were no remarks from the superintendent, and though he was not in the merit order, you recommended his appointment. I am not quarreling. I am prepared to accept the consideration of your discretionary judgment.

By Mr. Bowman:

Q. Dr. Roche, in order to change the order placed on the list by the Post Office department, you would have very good ground to exercise that discretion and go over the order of merit that was sent forward in the report that comes to you.—A. Undoubtedly. I think I have made it a practice, almost universally, if not universally, that whenever I had varied the order of merit as established by the District Superintendent, I always set forth my reasons for so doing.

By Mr. MacInnis:

Q. If the appointment was made from the first man that was graded highest on the list by the Post Office department, there would be no comment on the appointment at all.—A. Apparently not.

By Mr. Bowman:

Q. Consequently, all the more reason why, if, the first man is appointed and if he happens to be for some reason exempt, and a second man is appointed, of course there can be no criticism of the members of the Commission, but if the 3rd or 4th or 5th man down the list is appointed, then the Commission must justify reasons for doing so.—A. Yes.

Mr. CHEVRIER: After the list has been established by the Commission.

Mr. BOWMAN: No.

The CHAIRMAN: No list is ever established by the Commission.

By Mr. Vallance:

Q. Is it customary for your postal inspectors to omit making any remarks relating to anybody?—A. The inspector has his regular form, which he fills in in every instance. I do not know what year that was, I have not seen this file that Mr. Lawson said I might have the opportunity to see in the morning. I have not seen that file for a long long time.

Mr. CHEVRIER: I think it is 1928, Doctor. Will you look at it?

Mr. VALLANCE: He is the only candidate that the superintendent does not pass any remarks on, as to suitability either for or against, yet he gets the appointment.

Dr. ROCHE: The form used in those days, I understand, is not the same form that we have at the present time. There is another file.

Mr. CHEVRIER: Notwithstanding there was no remark by the District Superintendent as to Mr. Bradley's qualifications—

Dr. ROCHE: I would have to see the District Superintendent's report.

Mr. CHEVRIER: It is not on the memorandum.

Dr. ROCHE: No. It is a summary of a report. It might not be inclusive.

Mr. VALLANCE: On a synopsis of all the others, the remarks appear.

Mr. CHEVRIER: Doctor, in other words, and applying those words to myself, the devil can cite scripture for his own purpose.

Mr. VALLANCE: I move we adjourn, if this meets with the approval of the others.

Mr. BOWMAN: Carried unanimously.

Committee adjourned to Thursday, April 28, at 11.00 a.m.

HOUSE OF COMMONS,

APRIL 28, 1932.

The Select Standing Committee to inquire into appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 11 a.m., Mr. Lawson presiding.

The CHAIRMAN: Gentlemen, what are we to go on with this morning?

Mr. ERNST: I intimated yesterday, Mr. Chairman, that I would be prepared to go on with the question of these absences from the Commission offices of the various Commissioners, and as to whether they were on official business or not. I would like to make a brief statement, Mr. Chairman, before I start.

I have gone through the data furnished us by the Civil Service Commission, which is taken from their Minutes, giving a record of the days on which the various Commissioners were not present at the offices of the Commission. I have a tabulation, I will give it—

Mr. CHEVRIER: Mr. Chairman, just before we start on that ground, I do not know where this list of absentees came from. I do not know who prepared it. The accuracy of it has not been established. I do not know whether or not there are any punch clocks down at the Commission.

Mr. BOWMAN: Any what, Mr. Chevrier?

Mr. CHEVRIER: Any punch clocks. I haven't the slightest idea as to how this return was made up, and I certainly object to anything being done with this list unless it is proved, or unless the accuracy of it is proved.

The CHAIRMAN: So far, we have assumed that anything handed to this Committee by the officers of the Civil Service Commission could be accepted without formal proof. If Mr. Chevrier desires that such be not further the case, that it be not accepted until proved, we will start right in by proving this return.

Dr. Roche, do you know anything about the preparation of this document?

Dr. ROCHE: I asked the secretary, who has direct supervision over Miss Saunders who had the preparation of it—

The CHAIRMAN: Did she also have direct supervision over the preparation of this?

Dr. ROCHE: Yes, and Mr. Foran who is her immediate superior, is on his way here, at least he is being telephoned for to come up and bring the book to make sufficient explanation as to how the return was compiled.

The CHAIRMAN: And you think Mr. Foran will be able to give us the necessary detail as to how this is compiled, Dr. Roche?

Dr. ROCHE: Yes.

Mr. ERNST: I may say, Mr. Chevrier, if you want strict proof, all right, but you will recollect that I asked, before the full Committee, Mr. Foran to have these prepared from the Minutes of the Civil Service Commission. In response to that it was tabled by whom, Mr. Clerk?

The CLERK: By the Assistant Secretary of the Commission, Mr. Bland. A copy was furnished by him for each member of the Committee.

Mr. CHEVRIER: I suppose it can be admitted, subject to my objection?

The CHAIRMAN: No, no, we will not admit anything subject to your objection. If there is any objection at all it will be proven to the hilt.

Mr. VALLANCE: Dr. Roche, what is the method adopted in checking your people up so that it is possible for them compile this?

Dr. ROCHE: That is exactly what I have asked the secretary to come and explain, and I understand he will be here in a few minutes. He has been telephoned for and will bring the attendance book and our Minutes.

The CHAIRMAN: Mr. Putman, will you please, on my behalf, telephone Miss Saunders and ask her to come here as well.

Mr. PUTMAN: Yes, Mr. Chairman.

Mr. CHEVRIER: If there was a record where the Commissioners signed every day, that is the best possible evidence.

The CHAIRMAN: I know, and you know, as well as we do, that there is no such record. What is the use of setting up straw men to knock them down.

Mr. ERNST: It was given in evidence by Mr. Foran that a record is kept in the secretary's office of the days that a Commissioner was in attendance at the offices of the Commission, and when he is not his name does not appear as being present. It appears in the day to day records of the Commission kept officially by the Commission.

Mr. CHEVRIER: Have the Commissioners any objection to this list being taken as it is?

Dr. ROCHE: I think my colleagues have, as to its absolute accuracy.

Mr. BOWMAN: Then let us hear from the Commissioners as to what objections they have.

Mr. MACINNIS: I wonder if in the meantime Mr. Putman could go over this case where the objection was raised by Hon. Mr. Black?

The CHAIRMAN: I imagine that will take some time, Mr. MacInnis. Mr. Putman, Mr. MacInnis wants to know if you could go over this case.

Mr. PUTMAN: I do not know that it will take a very long time.

Mr. ERNST: I imagine Mr. Foran will be here in a moment.

Mr. MACINNIS: I have no objection to leaving it over. It is no more to me than to the other members of the Committee, but the file was left with me.

Mr. ERNST: That is quite all right, Mr. MacInnis, go ahead.

C. V. PUTMAN—Recalled.

The CHAIRMAN: You have already been sworn, Mr. Putman.

The WITNESS: There is one document in there, Mr. MacInnis, I wonder if I may have, unless you want to see it?

Mr. MACINNIS: You may have the whole file.

Mr. BOWMAN: May I interrupt for a moment, please?
Dr. Roche, were the vouchers given for those expenditures?

The CHAIRMAN: Mr. MacInnis has the vouchers. He got them yesterday.

While Mr. MacInnis is looking up the material he wants to question on; there was a return filed with the Committee showing the list of cases in which Commissioners dissented and the number of dissents. I have had those computations divided with an arbitrary dividing line, at the end of July, 1930, and I wish to put the statement on the record. If there is any objection to it I shall have the gentleman here who made the computation to prove it.

In the list of cases in which the Commissioners dissented from July 1926 to July 1930—

Mr. CHEVRIER: May I ask why the arbitrary line is drawn at July, 1930?

The CHAIRMAN: I just thought it would be interesting to prove what was the difference in proportion of dissenting judgments under two different governments.

Mr. CHEVRIER: Is that contained in the Order of Reference, is that what we are asked to investigate?

The CHAIRMAN: I think the Order of Reference is sufficiently wide to justify a member of the Committee making such a computation if he so desires.

From July of 1926 to July of 1930, Dr. Roche dissented in 394 cases; Dr. MacTavish in 67; and Mr. Tremblay in 118.

From the end of July 1930, to the end of March, 1932, Dr. Roche dissented in 55 cases; Dr. MacTavish in 139; and Mr. Tremblay in 54.

If those figures are added together you will find they make the total (827) given us in the return by the Civil Service Commission of dissenting judgments from July 1926 to March 1932.

Mr. MACINNIS: There were two points raised by Hon. Mr. Black. One was in regard to living allowances, that there were certain discriminations as applied to some of the employees in the Yukon, that Mr. George P. MacKenzie's superannuation was based on his salary and on his living allowance and that others were not treated in the same manner.

The other was in regard to the superannuation of the Postmaster at Dawson.

Q. I understand that in regard to Mr. MacKenzie's transfer that there were certain circumstances over which the Civil Service Commission, at least, had no control?—A. Yes, that is true.

Q. You have a letter on that file from Mr. MacKenzie to Mr. Cory, just before Mr. Cory left his position as Deputy Minister of the Interior. Was that the position he held?—A. That was Mr. Cory's position.

Q. Yes. Well, there was a letter to him from Mr. MacKenzie just before Mr. Cory left the position in 1930 or 1931.—A. You refer to a letter dated 30th January, 1931?

Q. That is the letter, yes.—A. Do you want me to read that letter?

Q. I think it would be well if that letter was read.—A. This is a memorandum addressed to W. W. Cory, Esq., Deputy Minister of the Interior, dated 30th January, 1931:—

> Before severing your connection with the Department I would appreciate your putting on file certain facts respecting my service with the Department which, so far as I am aware, are not now on file.
>
> The records disclose that I was appointed a Mining Recorder in the Dawson office in 1907, promoted to Gold Commissioner and Crown Timber and Land Agent in 1912. In 1918 the office of Commissioner was abolished and the duties and responsibilities of that office were placed on me, the title of Gold Commissioner being retained, and in 1925 I was transferred to Ottawa to my present position.
>
> But the records do not fully explain certain other facts. Indeed, they are more or less misleading. When the offices of Gold Commissioner and Commissioner were merged under me it was felt by the Government of the day that my remuneration should be increased because of the increased responsibility and especially in view of the fact that, by the abolishment of the separate position of Commissioner, the Government effected a saving of approximately $30,000 per annum. The new position probably should have been reclassified at that time, but instead, as the easiest way, my living allowance was increased to $3,000

per annum, but it was clearly understood that the whole amount paid me was in reality regarded by the Government as the compensation or emolument of the new position.

As you are aware, my transfer to the newly created position of Development and Exploration Officer was regarded by the Government as a further promotion and I was given the definite assurance that if any change was made in my remuneration it would not be reduced.

In connection with my service to the Department and to Canada, it is, I think, significant that each substantial promotion carried with it the responsibility of directing a reorganization of the branch of the service with which I was connected. This was true in 1912, in 1918 and in 1925. It is a further significant fact that in my twenty-four years' service with the Department I have been so intensively engaged in these duties that I have never taken any statutory leave.

(Sgd.) G. P. Mackenzie.

At the bottom of this is a statement signed by Mr. Cory:—

This is a clear and definite statement of the facts of Mr. Mackenzie's case as I understand the matter. I made the arrangements with Mr. Mackenzie all of which were approved by the then Minister.

(Sgd.) W. W. Cory.

30/1/31. W.W.C.

Q. When Mr. MacKenzie was transferred to the position of Exploration and Development Officer of the Canadian Arctic, that was a new position that was created?—A. Yes.

Q. And I believe there is a letter or a memorandum there somewhere in which the Commission agreed to that, on the understanding that it would be only for a period of two years?—A. I do not know about the period.

Q. I think it is document No. 17.—A. No. 17, Mr. MacInnis, is an Order in Council.

Q. I think there is a letter there, also a memorandum from the Civil Service Commission, June 10, 1925.—A. This is a memorandum of the Commissioners?

Q. Yes.—A. Dated June 10, 1925, relative to the transfer of Mr. MacKenzie:—

As this transfer does not involve a promotion it will be quite regular, but in approving a living allowance I think it should be provided that any other expenses incurred by or for Mr. MacKenzie should be deducted from the living allowance.

Mr. Simmins has discussed this case with the Deputy Minister, and I understand it is the intention of Mr. MacKenzie to retire in two years' time, and the Department feels it would be doing him an injustice to deprive him of the benefit of his present living allowance, which is counted as part of his salary upon his retirement.

For full information see Deputy Minister's letter of February 14, 1925.

(Sgd.) W.J.R.—M.G.L.

Q. Is there a further Minute in that file *re* the abolishment of the office? —A. There is a report to Council and an Order in Council creating the position on this file, but I do not see any—

Q. August 13, 1931?—A. To what has that letter reference, Mr. McInnis?

Q. I think it has a definite reference to the Commissioners' stating that they would agree to the creation of the position, to the creation and classification, providing it was for a period of only two years?—A. That would not be 1931?

Q. No, that would be earlier?—A. Is that a letter from the Commission or from the Deputy Minister?

Q. It is a Minute of the Civil Service Commission. You went over those files, Mr. Putman, and you have it in your mind now as to the conditions in reference to Mr. MacKenzie's transfer, and the reason why his salary was continued and living allowances the same in Ottawa as they were in the Yukon?—A. Yes, the Commissioners considered that in view of the agreement which was reached between Mr. MacKenzie and the Department it should be continued.

Q. Now, that is the reason, I understand, why he was treated differently, in regard to superannuation reductions than other employees in the Civil Service in the Yukon?—A. I would not say that in view of the fact that the decision of the Commissioners has consistently been that people presently occupying a position in the Yukon should be superannuated on the basis of the deductions which have been made from their salary irrespective of this recent ruling of the Justice department. That has been their recommendation.

By the Chairman:

Q. Why take the trouble to get rulings from the Justice department if they are disregarded?—A. Well, it was felt by the Commissioners that in justice to those people who had been making an abatement payment from their salary for a considerable period of years it was only fair that they should be retired on the basis of abatements that had been made, but that the new procedure was to apply to new appointees who would know when they were appointed what to expect in the way of superannuation.

Q. But that was not the situation with respect to the cases Mr. Black brought before this Committee. I have in mind a postmaster who is dead and whose estate is now being paid— —A. of course that is not up to the Civil Service Commission. The Civil Service Commission might make that recommendation but it is Treasury Board that finally decides this thing.

Q. Wait a minute, Mr. Putman. Treasury Board functions on the basis of the recommendation the Civil Service Commission, does it not?—A. No.

Q. Under the ruling of the Justice department the question turns whether the living allowance is part of the compensation or not?—A. Yes.

Q. Is not that correct?—A. Probably I had better go into the history of how the Civil Service Commission—

Q. Just let me stick with one point at a time. Is it not correct, that the ruling of the Justice department is to the effect that where the living allowance is necessarily incidental to the compensation, and is treated as part of the compensation, being a fixed amount annually or monthly, then it is part of the compensation for superannuation purposes? Is not that, Mr. Putman, the effect of the ruling of the Justice department?—A. I would rather put it the other way, Mr. Chairman, that the effect of the ruling of the Justice department is, that where an allowance is given because of high cost of living in a place defined it forms part of superannuation.

Q. Well, I am sorry but I do not think that is a correct interpretation of the Justice department ruling. Let me assume for a moment that my interpretation of it is correct, because for the purpose of the point I have in mind it does not make any difference. The next point I want to deal with is the list of classifications as made by the Organization Branch of the Civil Service Commission?—A. And approved by the Commissioners, yes.

Q. And Treasury Board must base its Orders in Council on those classifications?—A. Yes.

Q. All right.

Now, I turn to a list of classifications apparently made by the Organization Branch and approved by the Civil Service Commission in connection with civil

servants in the Yukon; and I find in this List, No. 1: a list of classes with allowances forming a part of compensation.—A. Yes

Q. Now, in those cases there is no question that they get the superannuation on the basis of their salary plus living allowances?—A. No question at all.

Q. Then I turn to List No. 2, again made by the Organization Branch and approved by the Civil Service Commission, and this shows a list of classes with allowances which are not part of compensation.—A. Yes.

Q. And in that second list I find listed the people to whom Mr. Black had reference in the Yukon?—A. Yes.

Q. Then it would appear to me that it is a matter which does not rest on the decision solely of Treasury Board as to whether or not these living allowances are to be included as part of the compensation, when your own classification says it is not.—A. For the simple reason that the Commission have ruled in all of these cases that the present incumbents could not be treated in the manner laid down.

Q. But the civil servants to whom Mr. Black referred have been so treated? —A. Yes, but that was by Treasury Board, not by the Commission. The Commission's recommendation was different.

Hon. Mr. BLACK: Where is that recommendation?

By the Chairman:

Q. I would like to see it, because certainly it never came before us.—A. Perhaps it is not a recommendation.

Q. I thought the boot was on the other foot.—A. A ruling signed by the three Commissioners when a number of these cases were before the Commissioners, and the ruling of the Commission was this:

Q. Give me the date first.—A. This is a memorandum dated July 31, 1931, entered in the Minutes the 4th of August, 1931:—

> While approving of the above recommendation I am personally not in favour of disregarding the implied contract made with those employees from whose salary cheque there has been a deduction of 5 per cent from the living allowance to be counted as a contribution to the superannuation fund. In my opinion the ruling of the Department of Justice should not affect the present incumbents but only apply to future appointments.
>
> (Sdg.) W.J.R.

Q. Well, now, is that a memorandum endorsed on the bottom of the ruling of the Justice department—A. No, that was in the memo. in which—

Q. It refers to something, you say, which precedes it?—A. It refers to the preparation of a report to Council sending up certain classes to make the change as ruled by the department of Justice.

Q. Yes. Now, then, the ruling which precedes that memo., or on which that memo. is made, is the only thing which would go to Treasury Board?—A. Yes.

Q. So that—A. No, not quite, because in a report which was made to Treasury Board the Commission included this clause:—

> That the above new rates are to apply to all future appointments to the above positions.

Q. Then, in that event, it would appear, although I have not had time to read that memorandum on which that note is endorsed—and I would like an opportunity to do so—that the Civil Service Commission in a memorandum to Treasury Board said, in view of the ruling of the Justice department, we think that living allowances should be part of compensation with respect to all civil servants who have been appointed prior to the date of this ruling and who have been contributing five per cent of the living allowance?—A. Right.

Q. Well, then, why should they endorse on the bottom of it words to that effect?—A. To make that effective. They were recommending—

The CHAIRMAN: I think probably I will save a lot of time if I get from you the memorandum, and I will read it. I will come back to this a little later. Apparently one of two things has happened in this case, either the Civil Service Commission has misinterpreted the ruling of the Justice Department or Treasury Board have misinterpreted the memorandum of the Civil Service Commission, but wherever the slip is someone is suffering grievous injury.

Mr. MACINNIS: Then there was the Postmaster at Dawson, who was receiving a salary of $6,000 for several years, and from which was deducted an amount for superannuation allowance. After his death his salary was divided into living allowance and salary.

The CHAIRMAN: We will clear it up, Mr. MacInnis, a little later.

Witness retired.

WILLIAM FORAN, recalled.

By the Chairman:

Q. Mr. Foran, you have been previously sworn. You are secretary of the Civil Service Commission?—A. I am.

Q. At the request of this Committee there was prepared a document which purports to be details of the absences of the respective Civil Service Commissioners from their offices in Ottawa from July, 1926, to March, 1932, inclusive. Is this the memorandum or document which was prepared in accordance with the request of this Committee, and which you submitted to this Committee with a covering letter dated April 27, 1932, which I now show you?—A. It is.

Q. Would you let me have that back, please? That letter reads:—

DEAR MR. MCEVOY,—

That is the Clerk of this Committee.

> Enclosed is the statement asked for by Mr. Ernst showing the absences of the three Commissioners from July, 1926, to March, 1932.

By Mr. Ernst:

Q. From what did you prepare that record, Mr. Foran?—A. Well, we prepared it from the daily Minutes kept by the Commission and also from the Attendance Book. I have them both here. I hope there has been no suggestion that anybody, any member of the staff, would be interested in sending to this Committee a statement that is inaccurate or that would be unfair to anybody.

Mr. CHEVRIER: Nobody has suggested that. Why do you not just answer the questions put to you.

By Mr. Ernst:

Q. Mr. Foran, just to come back to that particular phase, is there an Attendance Book kept at the offices of the Commission?—A. Yes.

Q. And who keeps it, under whose supervision is it kept?—A. Miss Saunders.

By the Chairman:

Q. And was this prepared by Miss Saunders under your direction as secretary of the Commission?—A. It was. I would just like to explain how the daily Minutes of the Commission are kept.

In the Minutes, the presence, or absence, of the Commissioners is noted. Copies of these Minutes are sent daily to the Commissioners. They are examined by them. At our full Board Meetings on Tuesdays and Thursdays the Chairman asks the question,—Are the Minutes correct? When the two other Commissioners concur I then sign the Minutes, and only then. Now, if there is any question

as to the attendance of Commissioners that would be the time and the place to ask that a Minute be corrected. Now, we can only assume that these Minutes are correct, and it was from this Minute Book, which they do not sign but in which their presence or absence is noted, that that statement was made up.

By Mr. Chevrier:

Q. That covers only the days on which there are meetings of the Board?—A. That covers every day.

Q. Do you mean to say, Mr. Foran, that every day there is a check held on the Commissioners themselves by some inferior officer?—A. We keep daily Minutes. The theory upon which we work, or practice, or whatever you like to call it, is that there are daily Minutes kept, in which the presence of the Commissioners is noted.

Q. How is that kept?—A. It is kept in the Minute Section.

Q. Show me how that is kept?

Mr. ERNST: Show him a typical Minute.

The WITNESS: Here is a copy of our daily Minutes showing those present.

By Mr. Chevrier:

Q. I want to get the system. I am not suggesting that these things are not right, but I want to know how it is done.—A. I would like to suggest that they are kept very accurately.

Mr. TREMBLAY: I challenge the accuracy of this—

The CHAIRMAN: One at a time, please.

By Mr. Vallance:

Q. Mr. Foran, when you take a daily Minute, for instance take Monday, the Board does not sit on Monday, but on Tuesday you present to the Board Monday's Minute for approval?—A. On Tuesday morning the Minutes of the previous day are sent in to each of the Commissioners.

By Mr. Chevrier:

Q. The Minutes of what?—A. Of the day before. As I say all files do not come before the full Board, as has been explained several times before. The files go first to the desk of the Commissioner who is in charge of the department concerned, then they are taken to the other Commissioner, and when they are approved by the three, the files come to the Minute Section for entry in the Minutes.

Q. Quite so, but is there any place—or can you tell me which one of the Commissioners was absent, say on the 14th of August last, can you tell me that? —A. The Minutes should show that, yes.

Q. Well, would they show that?—A. They will show it, because, as I have explained to you, there is a Minute kept every day of the Commission's work, but they only meet and hold meetings twice a week.

Mr. ERNST: From the records we have, they were all present on the 14th August last with the exception of Commissioner MacTavish.

By Mr. Chevrier:

Q. On the Monday morning there is no Board meeting?—A. No, but there is a Minute of the day kept.

Q. The Minutes of what? Of the work performed by you?—A. By the Commission.

Q. Who does that?—A. The Minute Section.

A. Well, who does that, Mr. So and So, or Mr. So and So?—A. Miss Saunders.

Q. How does she find out whether Commissioner Tremblay or Dr. Roche was in Ottawa on the Monday morning, what shows that?—A. The files coming in will show that. If they are not approved by the three, she inquires whether the Commissioner not signing is absent, and then the Attendance Book shows that he was not at the office.

Q. Then the only check you have on the attendance of the Commissioners is whether there is a notation on the file to the effect that the Commissioner was there that day?—A. Quite so. You have the Minutes.

Q. So that if there was no notation on the file for a particular day by a certain Commissioner, you are led, or the Clerk in charge would probably be led, to believe that the Commissioner was not there on that day, is that right?—A. That is clear.

Q. Well, then, is that conclusive evidence that he was, or was not, there?

Mr. ERNST: That is very easy.

By Mr. Chevrier:

Q. I want to find out. Now, then, this memorandum that has been submitted has been prepared exactly in the way you have said, from the files?—A. No, from the Minutes.

Q. And the Minutes have been prepared?—A. And examined by the Commissioners daily.

Q. Please. This return here, Mr. Foran, has been prepared from the Minutes, is that right?—A. It has been prepared from the only records that were maintained of the absences of the Commissioners.

Q. Now, then, what are those records?—A. The Minutes which were checked against the Attendance Book.

Q. Very well, let me go back. If you will only answer in the way in which I put the question we will get along so much better.—A. Do you not think we are entitled to answer in our own way.

Mr. BOWMAN: Surely he is entitled to answer in his own way.

The CHAIRMAN: Mr. Chevrier is entitled to an answer to his question. If the witness wishes to add anything, to explain his answer, he is at perfect liberty to do so.

By Mr. Chevrier:

Q. You have just said that you have prepared this return from the only records that are available in the Commission?—A. I have just said—

Q. And you have further said that the books that you have before you there are two books of record. Now, then, as I understand it from what you said a moment ago this document has been prepared by a clerk who has access to the Minutes, and from the Minutes has gone back to the files to see whether there was any notation of the Commissioner's presence on a certain day, and if there was no notation on the files, consequently then you were to assume that that Commissioner was not there on that day,—Now was that the process?—A. These Minutes are all examined and concurred in by the Commissioners and their presence or absence is noted in these Minutes. Now, what better record could we have?

Q. I am not questioning you as to the authority.—A. Your involved questions,—I am answering you the way in which I think is fair.

Q. All right, go ahead, give me your answer.—A. I have given you my answer.

Q. I want to get from this witness—and I will get it if I have to stay here until September, and if the witness would not be so loquacious but would answer to the point then we would be all right—an answer to my questions.—A. I am no more loquacious than you are.

The CHAIRMAN: I quite agree with Mr. Chevrier, that if he asks a question the witness should answer the question as briefly as possible, but in justice to the witness, where Mr. Chevrier asks a question which involves more than one point at one time, the witness must, of necessity, answer it by something other than an affirmative or a negative, in order to make his position clear to the Committee.

The WITNESS: Mr. Chevrier sets up a theory—

Mr. CHEVRIER: All right, Mr. Chairman, I am not going to ask this witness any further questions.

The WITNESS: You set out on the theory that this statement is inaccurate, and because I counter that theory you think that I am loquacious.

Mr. CHEVRIER: I have not said anything of the kind.

By Mr. Bowman:

Q. Mr. Foran, in your opinion as secretary of this Commission, is the record which you have presented to this Committee accurate?—A. I would say—Yes.

Mr. CHEVRIER: I have no reason to doubt that. I wanted to see how it was made up.

By Mr. Laurin:

Q. Mr. Foran, when the Commissioners have their meetings is it stated in the Minutes whether they are absent or present?—A. Yes. Those Minutes are examined every day by the Commissioners.

Q. At every meeting they had?—A. Exactly. They examine those and they see who are marked as present. Now, if they are in town that day there is no reason why they should not send in to the secretary and say they want that changed, or when the Minutes come before the full Board ask that the change be made. We assume that having had no objection from the Commissioners that these Minutes are accurate. Then the Minutes are signed by the Chairman and myself, showing that the other two Commissioners have concurred in them.

By the Chairman:

Q. Mr. Foran, who keeps the Attendance Book?—A. Miss Saunders.

By Mr. Vallance:

Q. Mr. Foran, have there been many occasions on which any one of the three Commissioners have challenged the Minutes as presented to them on the two days of each week when they sit as a body?—A. I cannot recall any occasion.

Q. So that those must be accurate?—A. That is what I say.

By Mr. Bowman:

Q. In any event, Mr. Foran, assuming there might be the odd mistake, they are at least substantially accurate?—A. As a matter of fact, a very complete file of Minutes is put there for the Commissioners to sign before we file those Minutes.

By the Chairman:

Q. Subject to human error?—A. Subject to human error, yes. And it may be that the Commissioners when they are away from the office are away on duty, but they do not report to the Secretary what they are doing.

Q. No suggestion of that at all?—A. I simply want to say that that statement was prepared in accordance with the records which we keep of the absences of the Commissioners.

Witness retired.

[Mr. Wm. Foran.]

ELSIE SAUNDERS, sworn.

By the Chairman:

Q. Miss Saunders, what is your official position with the Civil Service Commission?—A. Supervisor of personal services.

Q. And, as such, is it part of your duty to keep a book which has been produced before us by the Secretary known as the Attendance Book?—A. There are four Attendance Books in the Commission, two on the first floor and two on our floor; and we keep the one that is attached to the Secretary's office.

Q. Do you keep the Attendance Book in which the attendances or absences of the respective Civil Service Commissioners is recorded?—A. Yes, Mr. Chairman.

Q. And is that the book which is before you there, that very book?—A. Yes.

Q. Is there anything to identify it? Is there anything on the front of it? What is pasted on the outside cover?—A. "Miss Saunders, Attendance Book, October 17, 1931, to—". It just happened to be for that period.

Q. And what is the method by which you make the entries in that book as to whether or not a Commissioner is or is not present at his office in Ottawa on any particular date?—A. We never make an entry as to whether a Commissioner is absent, but we mark in the book at the side here which Commissioners we know to be present. We know that, because I see the Commissioners in the course of my work, or because files which have been tied up in their rooms come out through the day with the signatures on them, and if we have any doubt at all as to whether a Commissioner would be there or not we go to his room and inquire.

Q. When you say "If we have any doubt", what would cause the doubt would be because files do not come out from him or you have not seen him?—A. Well, both of these things.

Q. Then I can take it, Miss Saunders, that in each case where you yourself were not satisfied with the presence of a Commissioner at his office in Ottawa on any particular day you take the means to verify it before you mark him absent? —A. Yes.

Q. And the means which you take is to go to his office and inquire as to whether or not he had been at his office that day?—A. Yes, to his secretary there.

Q. Now, then, when do you make the entry in the Attendance Book, at the end of each day?—A. The beginning of the next day. The book comes in to me at nine o'clock and it is left on my desk until 9.15 for the late arrivals to sign, and at 9.15 we mark down at the bottom of the page, in red, all the people who are away that day.

By Mr. Bowman:

Q. That is the previous day?—A. No, the people who are away that day, so that they cannot come in—not that we are suspecting them, but just to keep the book accurately, and then I turn back to the day before and mark the people who were away. I then put in the Commissioners' attendance, and by that time that day is complete, and I know, or enquire whether they have been there.

By the Chairman:

Q. Now, do the Minutes of the Civil Service Commission come before you? —A. Yes, Mr. Chairman.

Q. And do they come before you daily?—A. Yes.

Q. Who prepares them, the secretary or you?—A. They are prepared under my direction.

Q. In your branch?—A. In my own room.

Q. So that you are the person directly charged, or immediately charged, if I may put it, with the preparation of the Minutes?—A. Exactly.

Q. And then, I presume, having prepared them you take them to the secretary for his approval, or something of that kind, before they go to the Commissioners?—A. Well, as a rule, they go straight into the Commissioners. The secretary does not see them. They are simply a record of the files that have come to my attention.

Q. They go direct, though, to the Commissioners?—A. They go direct to the Commissioners.

Q. And then on those occasions twice a week when the Board meets the secretary deals with them as he has outlined here this morning?—A. I do not go to the Board meetings, not unless there is nobody else there to take the Minutes.

By Mr. Chevrier:

Q. Miss Saunders, have you seen this document?—A. Yes, Mr. Chevrier, I had it made up.

Q. Will you tell me whether that was made up from the Attendance Book or from the Minutes?—A. It was made up from the Attendance Book.

Q. I thought so, when I was told a moment ago that it was made up from the Minutes.—A. It was made up from the Attendance Book and then checked from the Minutes.

Q. I knew it was not done in that way——

Mr. Ernst: She has just said it was checked from the Minutes.

The Witness: We found a few days, I should say perhaps twelve or fifteen, where no entry had been made at the side, evidently through an oversight. You see, the Commissioners do not sign and we just mark that on for our own information, and where we found a day where there was not an entry we went to the Minutes, and in some cases we found it and we scratched out that day, and in one or two cases we found the Commissioners absent.

Q. And, so far as humanly possible, this statement is correct?—A. As far as I have any record.

Q. And it may be subject to any error or omission, made absolutely in good faith?—A. Yes, Mr. Chevrier.

Mr. MacInnis: Mr. Chairman, I might have to ask Miss Saunders a question, but in the meantime I would like to address a question or two to Dr. Roche, Chairman of the Commission, first, if I am in order.

By Mr. MacInnis:

Q. In your expense account, Dr. Roche, there is just one item, from 1926 to 1932, attending the Citizens' Research Institute at Toronto.—A. Yes.

Q. Do you remember the date you left Ottawa and the date of your return, or do you remember how many days you were there?—A. Well, only one day, at the conference.

Q. The voucher for the account is November 6, transportation Ottawa to Toronto, November 7, attending convention, Citizens' Research Institute, and then November 10, berth, Toronto to Ottawa. Now, on the 8th and 9th of November, were you in Ottawa or in Toronto, do you remember?—A. I do not know. I think it was on Friday the conference was held, and I went up on Thursday night's train; I think I came back on the Sunday night's train.

Q. You are pretty sure it was at the week-end, anyway?—A. I am pretty sure it was the week-end, anyway.

Q. It was a week-end? Well, that would account, Miss Saunders, for that, because it says in Dr. Roche's attendance here, November 7 and 8. If he was away on the week-end, it would not be noted on here.

Mr. Ernst: Subject to——

Miss SAUNDERS: Sunday would not be noted unless it was carried from one day to another. Possibly, Mr. Chevrier, it will interest you to know how the minutes are made up for the days that the Board does not meet, if I could explain that.

Mr. CHEVRIER: I am satisfied with what you said.

Mr. BOWMAN: I am just wondering what explanation the doctor would have about his managing to get $22.50 in six years. Were you sick, or something, Doctor?

Dr. ROCHE: I had an awful "blow-out."

The CHAIRMAN: I think somebody gave us the key before. I think they said they had a hard time to get the Doctor to take the money.

Mr. ERNST: I had the return made by Miss Saunders, or by the secretary, of the absences of the Commissioners, and I have tabulated it for each year.

Mr. BOWMAN: I ask, Mr. Chairman, that this memorandum be filed.

The CHAIRMAN: It is placed on record, but subsequent objection being taken to it, I wanted to prove formally how it was obtained. Do you want it printed?

Mr. BOWMAN: Yes.

The CHAIRMAN: That will be done, Mr. Clerk, please.

Mr. ERNST: I have tabulated the various years in order to facilitate the work of the committee. I should like to read that tabulation so it will go into the record.

Dr. MACTAVISH: Before it is read, I wish to say that I wish in my turn to challenge that record, and I understand from Mr. Tremblay he also wishes to challenge it.

The CHAIRMAN: We shall give you ample opportunity, Dr. MacTavish.

Mr. BOWMAN: Then, I understand, Mr. MacTavish and Mr. Tremblay, that you both desire to challenge the records of your own office?

Mr. TREMBLAY: Quite.

Mr. ERNST: For 1926. This is for the period from July to the end of December. Absences, Dr. Roche, 16 days; Commissioner Tremblay, 31 days; Commissioner MacTavish, 65 days; 1927, the calendar year, Dr. Roche, 38 days; Commissioner Tremblay, 43 days; Commissioner MacTavish, 149 days; 1928, again I am using the calendar year, Dr. Roche, 56 days; Commissioner Tremblay, 31 days; Commissioner MacTavish, 121 days; 1929, Dr. Roche, 29 days; Commissioner Tremblay, 38 days; Commissioner MacTavish, 131 days; 1930, Dr. Roche, 38 days; Commissioner Tremblay, 21 days; Commissioner MacTavish, 121 days; 1931, Dr. Roche, 27 days; Commissioner Tremblay, 46 days; Commissioner MacTavish, 109 days; 1932, three months ending March 31, Dr. Roche, 3 days; Commissioner Tremblay, 10 days; Commissioner MacTavish, 30 days. A total for the period of 5 years 9 months; for Dr. Roche, 207 days; Commissioner Tremblay, 220 days; Commissioner MacTavish, 726 days.

The CHAIRMAN: If that is the end of your tabulations, will you permit me to ask Miss Saunders a question. Miss Saunders, I presume that the record of attendance that you gave, and on which you have given evidence this morning, would include the Commissioners' regular holidays, would it not?

Miss SAUNDERS: We enter only the days they are present; we do not do record of why they are away. It includes Dr. MacTavish's illness too you see.

Mr. ERNST: I appreciate that.

Miss SAUNDERS: We only enter the days they are present; we do not do anything with the absences at all.

Mr. ERNST: There is one other question I should have asked you. Are the dates that you show from December 1st to 10th inclusive?

Miss SAUNDERS: Yes, I think so, Mr. Ernst.

Mr. ERNST: Inclusive.

Miss SAUNDERS: Yes, I think it is.

Mr. CHEVRIER: These are simply the working days, I suppose, or do they include Sundays?

Mr. ERNST: You will find they include Sundays, if you work it back from one day to another, and taking both inclusive.

Miss SAUNDERS: Sundays come into it.

Mr. ERNST: If you take a case like this, from the 1st to the 18th, it would include Sundays.

Mr. CHEVRIER: Take on the first page, the month of July, MacTavish, 2 to 5, 9 to 12, 16 to 19, 23 to 26. That looks like three days——

Mr. ERNST: That might include a Sunday there.

Miss SAUNDERS: It might include Sundays several times. I do know any one Sunday, but if there was a Friday or Saturday, and he was back in his office Monday, we would not put Sunday in because it was made for their working days in the week.

Mr. CHEVRIER: I do not want to get into an argument. I am quite satisfied this must be right, subject to the ordinary errors. No man is absolutely correct.

Miss SAUNDERS: It might include a Sunday, when it shows from one day to another.

Mr. CHEVRIER: I want to find out right there, we have two and three days all along and can you say whether it is week-ends or what?

Miss SAUNDERS: It may be a week-end. Without checking up on the calendar, I cannot tell you.

Mr. CHEVRIER: A number of Sundays may be included.

Miss SAUNDERS: Yes, they might.

Mr. CHEVRIER: Saturday afternoon?

Miss SAUNDERS: We count Saturday a full day.

Mr. ERNST: I am quite satisfied a day like December 28th, of course, would not be a Sunday, but where you give a period from one day to another it might include a Sunday or may not, according to where Sunday falls in the calendar period.

Miss SAUNDERS: Yes.

Mr. ERNST: Now, Mr. Chairman, the above tabulation has been put on the record. If you will take the period five years and nine months and check Dr. Roche's absence 207 days during that period, Commissioner Tremblay's 220, I personally think that that time was reasonable in both cases, and it does not warrant any inquiry on the part of the Committee, but I am in the hands of the Committee.

The CHAIRMAN: I have no desire to inquire into it.

Mr. CHEVRIER: Unless the Commissioner does.

Mr. ERNST: As far as those two Commissioners go, I do not think the absence is at all unreasonable for any one year. I find Commissioner Tremblay was only absent 31 days the first year.

Dr. ROCHE: I would just make one general statement. I am never absent from my office except on my holidays and through illness.

Mr. ERNST: I do not think they warrant any inquiry in either one of those two cases of Dr. Roche and Mr. Tremblay.

The CHAIRMAN: Are all members of the Committee satisfied? That disposes then of the Chairman of the Commission and Mr. Tremblay.

Mr. BOWMAN: I do not think it does. I think we should have some explanation from Mr. MacTavish.

The CHAIRMAN: You did not hear my statement. I said that disposes of the Chairman of the Commission and Mr. Tremblay.

Mr. VALLANCE: Mr. Tremblay was going to challenge the statement. Probably he is challenging the 220 days that are placed against him. Why should we deprive him of that?

Mr. ERNST: We are not depriving him of anything. I am merely saying I did not feel there was any grounds for enquiring into it.

Mr. VALLANCE: Is Commissioner Tremblay in the room? If Commissioner Tremblay is satisfied to let it go, all right.

The CHAIRMAN: Commissioner Tremblay, one member of the Committee has suggested that the absences of Dr. Roche and yourself were such that he considered them reasonable and did not desire to enquire into them. Another member of the committee suggested on the other hand, that you said you desired to challenge the accuracy of the number of days that you were absent. In view of the committee's attitude in connection with the matter, do you wish to challenge them, or do you wish to make any comment in connection with the matter?

Mr. TREMBLAY: Well, I am not interested in that.

The CHAIRMAN: That disposes of Commissioner Tremblay.

Mr. ERNST: I do feel, in view of the very large number of days in which Dr. MacTavish is recorded as having been absent, that there should be an enquiry into it, as part of our duty.

The CHAIRMAN: What would you like done, Mr. Ernst?

Mr. ERNST: I should like to have Dr. MacTavish called.

The CHAIRMAN: I think, in fairness to Dr. MacTavish, we should proceed in this way: before being called, Dr. MacTavish, to deal with this matter, do you desire to submit any evidence in respect to it, either through yourself or by any other witness?

Dr. MACTAVISH: I rose a few moments ago to speak to you, but you were engaged in questioning Mr. Bowman. I suggested to Mr. Ernst that my secretary and the head messenger be called so that they would be here; but he said I could say that later on. I said then that they could be got here while this was going on, and he still maintained that I could get them later. I would be glad if my secretary and head messenger were called.

Mr. ERNST: Before you give any evidence yourself?

Dr. MACTAVISH: I would like them to be here.

The CHAIRMAN: Before you give any evidence?

Dr. MACTAVISH: I should like to have them present.

The CHAIRMAN: Mr. Daley, will you telephone to those parties?

Dr. MACTAVISH, recalled.

The CHAIRMAN: Now Dr. MacTavish, I think it only fair that you should be given an opportunity to make any statement or give any evidence you wish in connection with the matter before you are questioned by members of the

Committee. Is there any statement or evidence in connection with this business that you care to give?—A. I would like, if I might, Mr. Chairman, to remind you that Commissioner Tremblay rose to make a protest as to the accuracy of the Minutes. I should like him to be asked to explain just what he meant, then.

Mr. BOWMAN: You go ahead with your own story, first.

Mr. ERNST: With reference to yourself.

The CHAIRMAN: I will see he is called, if you want him called.

The WITNESS: I find, on challenging the accuracy of them, I can give you one or two instances——I went over them briefly, and when I got to two or three that were obviously wrong I did not go any farther.

By Mr. Ernst:

Q. I think you ought to go over them all from top to bottom.—A. That is enough to show that they are not accurate. In August 1928, I find, sir, that I am credited with being present.

By the Chairman:

Q. What year?—A. August, 1928. This is the record which, I presume, is the same as the copy of what is filed here.

Q. Yes.—A. It shows I was in attendance.

By Mr. Ernst:

Q. On what date?—A. My first absence is the 7th. Between that and the 18th, as it shows here, I was on a trip to New Brunswick, so that I was——I am not rated as being absent, but I was away.

By Mr. Chevrier:

Q. You were away from what date there?—A. I was away, the record shows, from the 12th to the 18th.

Mr. ERNST: No, it does not.

Mr. MACINNIS: From the 1st to the 18th?

Mr. ERNST: No.

The WITNESS: But the other record of my trip down there is the record I have at that time when I was down——

By Mr. Ernst:

Q. The record here shows you absent on August 7, from August 10 to the 14th, on the 27th and again on the 31st.

Mr. CHEVRIER: If I might suggest this. Suppose we ask him if the 7th is right.

By Mr. Ernst:

Q. It shows you being absent from August 10 to 14, on August 27, and on August 31. Now, wherein does the inaccuracy lie?—A. That I was not here. I was absent from the 12th to the 18th on a trip to New Brunswick, Fredericton, Moncton, Saint John; and I think at that time—it does not show here, but I was at Woodstock, N.B. I made several trips down there. That shows I was down there; but my absence is not charged or indicated there.

Q. Now, is there any date on which you are shown as being absent on which you were actually present?—A. No, I have not challenged that; I have not got the record.

Q. Your point is, you were absent more than the record shows in August, 1928.—A. I say, that the record is not accurate as to my presence.

Q. And your reason for saying that is you were absent more than the record shows in August, 1928.—A. I was absent when it says I was present.

Q. In other words, more than the record shows for that particular month.—A. Well, I was absent.

Q. You were given credit for being there when you were not there.—A. Yes.

By the Chairman:

Q. In giving that evidence this morning, are you speaking from some record, or are you relying on your memory?—A. Not on my memory.

Q. You are speaking from what?—A. From the record that is here of my expense account. I checked it down here. I remember the trip that I took, and I was down there on three different occasions. This occasion may have been the time of the Legion convention.

Q. The record there that you are speaking from, I understand, is a record of your expense account for the month of August, 1928.—A. Yes.

Q. And that record of your expense account shows that you were absent from August 12 to 18 inclusive?—A. Yes.

Q. Is that expense account one of the records of the Commission that you are referring to?—A. Yes.

Q. Or is it something else?—A. Yes. In the records here I find—

By Mr. Ernst:

Q. Would you produce that record, Dr. MacTavish?—A. I think you have a copy of it.

The CHAIRMAN: There were copies of all expense accounts filed with the Secretary and Mr. MacInnis.

The WITNESS: This is a copy, approved by our accountant.

By Mr. MacInnis:

Q. Was that in August, 1928?—A. August, 1928.

Q. The voucher here shows June, 1928, sleeping car, Montreal, St. John, New Brunswick.—A. Probably I have got June instead of August, because I made three trips down there.

Q. This is June 12 to 18.

Mr. ERNST: It is rather important.

By Mr. Bowman:

Q. What one are you talking about, Dr. MacTavish.

By the Chairman:

Q. Get one thing clear.—A. I might have got those mixed up.

The CHAIRMAN: Is there not an expense account for August?

Mr. MACINNIS: Yes. August 20, 21.

The CHAIRMAN: Is there anything from about the 12th to the 18th?

Mr. MACINNIS: No.

The CHAIRMAN: Apparently it is not entirely right, then.

Mr. ERNST: May I see that expense account, Mr. MacInnis?

Mr. MACINNIS: Yes.

By Mr. Ernst:

Q. Your expense is filed for August, 1928, and it shows you having been to Toronto on the 20th and 21st.—A. I have not checked over those.

Q. It makes no reference to what you have just given in evidence. Perhaps this record is incorrect.

Mr. MacInnis: He is correct if he changes to the month of June.

The Chairman: Let us take a look, gentlemen, at this record of attendance, approved by the Commission, until we see the record for June, 1928, produced by the Commission, approved by the secretary, Miss Saunders, and it shows Dr. MacTavish's absence in June, 1928, from the 9th to 11th inclusive, and from the 13th to 16th inclusive, obviously, the 12th being Sunday. So that this record, apparently, is the record as checked with the voucher.—A. I had the three numbers, and I have got the dates. I will get that, but I will take another one. I thought I just took two.

By Mr. Bowman:

Q. Would you explain how you made this mistake?

Mr. Ernst: This is rather a serious matter to come and challenge a record like that.

By Mr. Bowman:

Q. Will you kindly explain to the Committee just how you make this mistake, about August 12 to 18? - A. Well, Mr. Bowman, this was done very hurriedly last night, after I got this. I did not have time to study it carefully.

Q. You started to prove it was wrong.—A. I have made a note here, and I am trying to tell you I transferred it wrong. There is nothing wrong with it except those dates do not agree.

By Mr. Ernst:

Q. Explain to us what it is you have there, whether it is August or June. Does it show?—A. Well, it probably does.

Q. What does it show?

By the Chairman:

Q. It probably does not tell the days you were absent. Let us get it accurate. —A. May I take another?

By Mr. Ernst:

Q. No finish this one.—A. Well, I reckoned that out. I would like to go over it.

By the Chairman:

Q. In the case which you have given us now, where you say it was August, it should be June. You know, we must get our records correct.—A. Yes, we have to have those right. On August the 20th,—my mistake. It was in the year 1929.

Mr. Ernst: Yes, in August 1929.

The Chairman: Let me get that. I think the witness should be given the opportunity of making any statement he wants before he is questioned on it.

The Witness: On August 20, 1929, it shows that I was in New Brunswick on that date.

By the Chairman:

Q. Now, wait, Dr. MacTavish. To what are you referring? You say, it shows?—A. That I was in New Brunswick.

Q. What shows that?—A. The record of my expense account.

By Mr. Bowman:

Q. What does it show?—A. It shows that I was on a trip to New Brunswick starting August the 20th.

By the Chairman:

Q. Commencing August 20, 1929?—A. Yes.

Q. Yes?—A. Five days is the time according to the expense account.

Q. The expense account, in front of you, Doctor, shows that you were absent from August the 20th,—A. The date is August 20, five days.

Q. For five days commencing August 20?—A. I cannot swear whether it is before or after, whether the 20th was the end of it or the beginning, but I have no doubt it is the beginning.

Q. That is, the expense account you are reading shows that you were absent on a trip to New Brunswick for five days?—A. Yes.

Q. Either commencing or ending on the 20th August, 1929?—A. It would be in that vicinity. The point I make is that there are no charges of absences that would coincide with that.

Q. Well, now, just a moment, Doctor, until we see. The record here filed by the officers of the Commission show you were absent in August, 1929, from the 22nd to the 24th inclusive.

Mr. ERNST: And from the 15 to the 17.

The CHAIRMAN: Inclusive.

Mr. ERNST: And on the 9th and 10th.

By the Chairman:

Q. Let us take those dates around where he is speaking. All right, Doctor?—A. I just call attention to that as an apparent inaccuracy.

By Mr. Ernst:

Q. Dr. MacTavish, I have your expense account for August, 1929, under my hand, and that expense account reads as follows:—

August 20, to expenses inquiry in New Brunswick, 5 days at $15.

It does not say anything as to what days you were in New Brunswick. The date that that shows, is that the date on which the expense account was actually made up—is that it?—A. I presume so. I cannot remember now, but my secretary makes this up. It might have been five days before or after.

Q. No, no; you would not make up your expense account in advance?—A. I make it up always after.

Q. It would be made up after you came back?—A. Oh, yes.

Q. And the expense account would bear the date on which it was actually made up?—A. I presume that is correct.

Q. And it bears date August 20?—A. Yes.

Q. And you claim five days' expenses in it?—A. Yes.

Q. Well, now, that does not show that you were absent from the offices of the Commission on August 20, it proves you were there on August 20, does it not?—A. Why does it?

Q. Well, if it was actually made up on August 20, you were there when it was made up. Your Secretary would not make it up in your absence.—A. But it is not the time it was handed in. It represents the time I was away.

Q. Five days, yes; but it does not purport to say you were there on any particular day.—A. It would represent five days——

Q. Which five days?—A. And the 20th would be one of them.

By Mr. Bowman:

Q. What?—A. The 20th would be one of them.

By Mr. Ernst:

Q. Dr. MacTavish, is it not a fact that the expense account on the contrary shows the date on which it was made up rather than the days of absence?—A. Pardon me, no. It is the days of absence.

Q. Take that expense account and tell me what does it prove?—A. This is the same expense account.

Q. Well, where does it show your absence?—A. It shows on August 20 I was in New Brunswick.

Q. It does not prove, does it, whether you were away from the 15th to the 20th or the 20th to the 24th?—A. You ought to know I cannot make a trip down to St. John, New Brunswick, and back again and do any work at all and do it in the time described here.

Q. And you know, Dr. MacTavish, that I am merely asking how many days that expense account represents that you were absent from the offices of the Commission?—A. Because those are the days I was away.

Q. Which days?—A. Including the 20th in the five days.

Q. From when to when were you away?—A. The point is, there is no five days here.

Q. Just a moment. Which five days were you away?—A. Well, I am saying you can take any five days you like, including the 20th.

By the Chairman:

Q. That is, the 20th is either the 1st or the 5th, or the 20th is the last day of the five?—A. That is it, but it might be——

Q. It might be in the middle?—A. Well, it might be, but that is the date.

Mr. Bowman: It might be almost anything as far as I can figure out.

The Witness: Well, now, Mr. Bowman, be fair.

By Mr. Bowman:

Q. Then take your evidence, it might be anything.—A. No, it might not be anything. It might be the 20th August I was on that trip to New Brunswick.

By Mr. Ernst:

Q. What time of the day did you leave?—A. Oh, well, I do not remember that.

Q. You would leave naturally in the afternoon or in the morning?—A. Whichever was the most convenient.

Q. And you would probably be in the Commission offices in the morning. A. I might be, I do not know.

Q. And you get credit for attendance on the 20th as a consequence?—A. Not necessarily.

Q. Well, in the ordinary course of events.—A. I am challenging——

Q. Just answer the question. If you leave in the afternoon you charge that as a day in your expense account, do you not?—A. Not necessarily.

Q. Well, do you?—A. It would be half a day, if I left in the afternoon.

Q. I do not see any half days charged anywhere in your expense account.—A. Oh, yes, there are.

Q. I come back again. When you challenge the accuracy of the Commission's records, what days were you absent in New Brunswick?—A. Five days.

Q. From when to when?—A. Mr. Ernst I cannot tell you what the five days were. What I say is, I am not charged with five days' absence here and I was away for five days.

Q. How far did you go that time in New Brunswick?—A. I went to, I think it was——

Q. You went as far as St. John and back, according to our records?—A. St. John. You see, there were three trips down there; I think this was the trip I took to Woodstock.

Q. You expense account shows that you went from Ottawa to Montreal, and from Montreal to St. John and back again. That is all it shows.—A. Well, if that is the date, and you will challenge me again that I should know; would you know, Mr. Ernst, does that happen to be the year that the Legion met in St. John?

Mr. Bowman: You are giving the evidence, why are you asking Mr. Ernst about it? You are challenging the records of your own office?

The Witness: Yes, I do.

Mr. Bowman: And you are challenging your own evidence.

The Witness: I am challenging the dates.

Mr. Ernst: My recollection—if you are asking me, is that the Legion met in the election year, which is 1930. I may be wrong about the Legion Convention.

The Witness: I have been down three trips, and one was to the Convention including an inspection, and I think the other year—I went two years—to Prince Edward Island.

By Mr. Ernst:

Q. Well, this expense account shows you went as far as St. John and back again, does it not?—A. Yes.

Q. If you leave from here for St. John this afternoon, when do you get to St. John, in the ordinary course of affairs?—A. I do not know.

Q. Would you not get into St. John to-morrow?—A. If you left in the morning you could.

Q. If you left here this afternoon you would get into St. John to-morrow?—A. I guess you would, to-morrow afternoon.

Q. What is there to take five full days?—A. Pardon?

Q. What is there to take five full days?

By Mr. Chevrier:

Q. Did you do any work down there, Doctor, when you spent five days?

By Mr. Ernst:

Q. I am asking, what is there in the expense account to prove,—apart from your bald statement, that you collected money for five days,—that you were away five days?—A. There is that for it.

Q. Or any statement that would entitle you to the rate of $15 per day?—A. I have discretionary powers—

Q. I do not ask about your discretionary powers?—A. You are adding to it.

Q. I am not adding or taking away, I am asking you?—A. I would discuss those accounts when we come to them, but I want to establish that this record of absences is not in keeping with the expense account before me.

Q. Well, Dr. MacTavish, you heard the evidence of Mr. Foran?—A. Yes.

Q. That your attendance was shown in the Commission's Minutes?—A. Yes.

Q. And he proved the Minutes absolutely showing you as being present on the dates or days—A. That would require some explanation. I think probably Dr. Roche could make it better than I.

Q. No, speak for yourself.—A. I will speak for myself in this instance.

Mr. CHEVRIER: Have we got the Minutes here?

The CHAIRMAN: No, I have sent for them.

By Mr. Ernst:

Q. Yes, Doctor?—A. The attendances, as far as I am concerned,—and you may think this is extraordinary, probably it is extraordinary—but the attendance record, as far as I have known, has been only a book that is kept in the hall, an attendance book where the staff of the Civil Service Commission sign in and out.

Q. Well, do you get Minutes from day to day?—A. I was coming to that.

Q. Just a moment. Do you get Commission Minutes every day?—A. I do not see them.

Q. You do not see them?—A. No, but my secretary sees them and if there is anything that she thinks is exceptional she calls my attention to it.

Q. And then do you hold a Board meeting once a week, and the Minutes from day to day are there shewn to you and approved by you or otherwise?—A. Twice a week.

Q. Where the Minutes from day to day are approved or objected to?—A. The Minutes from day to day go through as a matter of course.

Q. I did not ask you how they went through. Are they approved or objected to?—A. The are approved by the Chairman and Secretary.

Q. Yes, but are they approved without being brought to the attention of the other two Commissioners?—A. The Chairman usually says, "Are the Minutes correct?"

Q. Does he not always say, "The Minutes are correct"?—A. Well, when I am there he does.

By Mr. Vallance:

Q. Dr. MacTavish, suppose you were away for five days, from Monday to Friday, from the two weekly meetings, during your absence the other two Commissioners are present at those Board meetings. When you come back do you go over the Minutes of those meetings to see what has taken place during your absence?—A. I do not, but I have that privilege.

By Mr. Bowman:

Q. Do you mean to say, in answer to Mr. Vallance's question, that you do not go over the Minutes and find out what has happened in your absence?—A. I do not, unless my secretary calls my attention to something exceptional.

Mr. ERNST: I presume you would not have a secretary unless you regard him or her as efficient?—A. Why, no; and more than that, if she did not do that and I did it myself I might as well go over all the files twice.

By Mr. Bowman:

Q. The files have nothing to do with the Minutes.—A. Oh, yes; the Minutes are a record of the files that have been dealt with by the Commissioners.

Q. All the more reason why you, as a Commissioner, should know what took place in your absence.—A. My secretary would call anything peculiar to my attention, and I think, Mr. Bowman, I can call attention at this investigation to some peculiarities. I have refrained from doing it because, while they have not been asked—I did yesterday say it was a peculiar thing that—I did not use the word "peculiarity." I said I thought it was a singular thing that all the cases that were examined here were cases where Dr. Roche dissented. Now, if there was a case——

Q. Well, now, you are getting off at an entirely different tangent.—A. I am coming back to the Minutes. If there was a case where there was something exceptional, which my secretary thought was exceptional, she would call my attention to it.

Q. Yes. What I understand you to say, in answer to Mr. Vallance is, that when you go away and subsequently return, you personally do not bother going over the Minutes to find out what has happened?—A. I do not think it is necessary. She would call my attention to it.

By Mr. Vallance:

Q. In view of the fact that she did not call your attention to it, in August, 1929, and the fact that this expense account of yours shows that you were five days gone, or some number of days gone, and which is not shown on your expense account—did your secretary draw your attention to that fact when you came back?—A. No, she probably did not know anything about it, did not notice it.

Q. She did not know you were gone?—A. Oh, yes, she knew I was gone. She did not know anything about the Minute, as to whether those Minutes were handed out, but I have asked the Chairman to call my secretary.

By Mr. MacInnis:

Q. Were you aware, Doctor, that there was a check kept on the attendance of the Commission?—A. I did not know there was a check kept except——

By Mr. Ernst:

Q. In other words, you did not read the Minutes?—A. Oh, yes, I did.

Q. Well, then, you will know there was a check kept on the attendance of the Commissioners?—A. That is at the Board meetings, I thought it covered only the Board sittings.

By Mr. MacInnis:

Q. You knew there was a check kept in the office?—A. That requires again, Mr. MacInnis, some explanation, and I think I am entitled to make it. The attendance record of the whole staff, supposedly, is kept in a book in the hall. Miss Saunders referred to it. I think she had one with her here.

By the Chairman:

Q. That is what has been called the Attendance Book.—A. That is the attendance book . Now, that contains, in red ink—I do not know how it started, I never asked—but the attendance of the Commissioners is put down there in red ink by someone, I do not know who does it.

By Mr. MacInnis:

Q. The attendance of the Commissioners?—A. The attendance of the Commissioners is put down in red ink, not the attendance of others, and probably the one who does it—I do not know who does it—

The CHAIRMAN: Miss Saunders said she did.

The WITNESS: Well, probably Miss Saunders does.

By Mr. Ernst:

Q. When did you first become aware of the fact that that was being done? —A. I became aware of that when I was told that I was being "watched."

Q. How long ago is that?—A. That was shortly after I came. I did not intend, Mr. Ernst, to say that.

By Mr. Bowman:

Q. You would like to leave the impression with the Committee that you have been watched during the last five years?—A. If I had entertained that idea I would have complained about it in the Commission before.

By Mr. Ernst:

Q. At any rate, you were put on your guard?—A. No, I was not.

Q. You were told you were being watched?—A. I did not feel it was necessary. I went ahead just the same whether I was being watched or not; but I have been told that repeatedly. You must be fair with me. Nobody can say that I did anything to verify it.

By the Chairman:

Q. In view of that statement, Doctor, you swore here earlier this morning that you had no knowledge that any record of attendances of the Commissioners was kept; that is correct, is it not?—A. I do not think so.

Q. You don't think you swore that this morning?—A. I do not think so, Mr. Chairman.

Q. Bless my soul, Doctor! You repeated it not once, but you said it at least five times.—A. You will allow me this, that you will not give me a chance to amplify. I do not regard that as a record, that attendance book, but nevertheless there is in that book—and I have only looked at it three times in the six years I have been there—

Q. Just let us get it clear. We do want to get something definite on this record, and I want to be absolutely fair to you.—A. I think you do, Mr. Chairman.

Q. You did swear here this morning—just let us take it by stages—that you had no knowledge that any record of the attendances of Commissioners was kept, did you not?—A. The part, sir, that I did not—

Q. Wait, please. Let us take it one step at a time. Did you or did you not swear to that in this Committee this morning?—A. If I did then—

Q. Not, "if,"—did you or did you not?—A. I did not.

Q. All right. Now, then, Mr. Reporter——A. I still urge, Mr. Chairman, that you did not give me a chance to finish, and I am not having a chance to finish now, and the record will show I had no chance to finish.

Mr. MacInnis: I asked the question.

The Chairman: I am going to bind this witness down to something, if it is the last thing I do in this Committee. I am going to get somewhere definite.

The Witness: I am challenging the record, and I say,—what I mean to say is, if I said that all right—but what I mean to say is, if there is a record kept it was only the record in the hall that I know of. I did not regard that as any record.

Q. Let me see if you agree with me, then, in this: If you did swear before this Committee this morning that you did not know that a record of the attendances of Commissioners was kept, what you meant was, some record separate and distinct from the Attedance Book?—A. Yes.

Q. Now, that is definite, is it?—A. That is definite.

Q. That *is* definite?—A. That is definite.

Q. And you told me that you looked at this attendance book from time to time?—A. Oh, no.

The Chairman: Just go back, Mr. Reporter, and read what he did say. Just a few questions back.

[Dr. N. MacTavish.]

The REPORTER (Reading):

"A. You will allow me this, that you will not give me a chance to amplify. I do not regard that as a record, that attendance book, but nevertheless there is in that book—and I have only looked at it three times in the six years I have been there.—"

By the Chairman:

Q. So that you did know there was an attendance book, and you did look at it at least on three occasions? Now, this shows you have been there.—A. I saw that book possibly three times in that time.

Q. That is what you said before; you looked in it three times.—A. But I did not regard that as an attendance book for the Commissioners.

Q. I am not suggesting that you did regard it as an attendance book for the Commissioners; but that is what you meant then this morning, what you have just now explained, when you said you did not know that a record of your attendance was being kept?—A. Yes.

Q. And, combined with that, you had been warned as far back as 1926 that you were being watched?—A. Yes.

Q. So that I can summarize by saying, having been warned that you were being watched, as far back as 1926, knowing that there was an attendance book, having seen it on three occasions, you still did not regard that as any record of the attendance of Commissioners?—A. No.

The CHAIRMAN: All right, that is what I want to get clear.

By Mr. Vallance:

Q. On the three occasions on which you saw this attendance book, what prompted you to look at it; why did you want to look at it?—A. I looked at it to see how the staff signed in and out, and to see whether certain ones signed in and out, and to see certain absences, and I was quite surprised to see that certain ones did not sign at all; but, on the several occasions I looked, I noticed my name down as present, while others were not mentioned.

By Mr. Ernst:

Q. And on the occasions you found your name there, did not you regard it as something important?—A. I did not regard it as a serious matter at all. It was never sanctioned by the Commission, never brought up before the Commission, during my time at any rate.

Q. But you did know, apart from that, that the daily minute indicated whether you were present, or whether you were not?—A. No, I took it only as regards the board meetings.

Q. Well, now, I ask you again, do you mean to say that you did not read the daily minutes of the Commission?—A. I say, Mr. Ernst, that I left that to my secretary, and she called my attention to anything that, to her, seemed irregular.

Q. Have you ever read the daily minutes of the Commission?—A. Oh, yes.

Q. Well, now, did not you realize that those minutes contained a notation as to what Commissioners were present on that particular day?—A. I cannot say that I realized it.

Q. Well, didn't you?—A. No, I did not. What I was interested in was just the minutes—the proceedings.

Q. You have never noticed that in the daily minutes?—A. No.

Q. You were unaware of that until this morning?—A. I was surprised that they had that record this morning.

Q. Although the daily minutes are read at every board meeting?—A. Oh, pardon me.

Q. Oh, they are not read?—A. No.

Q. Just asked if they are approved?—A. They go to the Commissioners for approval. We sign only minutes. Those are the ones that are brought before us and they are not incorporated in these daily minutes.

Q. No, but you are asked at every board meeting, which you attend, whether you approve the daily minutes for the period which has elapsed since the last board meeting.—A. At any at which I am present. I am not objecting to those; I am saying that I did not know that that record was kept, in the minutes, of the attendance. Attendance was not ever discussed at the board.

By Mr. Bowman:

Q. And do I understand you to say that you did not read the minutes?—A. I read the minutes that were called to my attention by my secretary as irregular, or for some other reason.

Q. That is, in other words, you did not read the minutes yourself, but if your secretary called your attention to something that was irregular then you read that particular minute?—A. The minutes, Mr. Bowman—I think you are confused.

Q. Please answer my question.—A. No, I did not read all the minutes, no.

Q. All right, say so. And what you say further is that this record of attendance that is being kept, and which has been produced, was never sanctioned by the Commissioners?—A. This record here?

Q. Yes.—A. Not sanctioned in my time.

Q. I mean the record that was kept by Miss Saunders?—A. Not sanctioned in my time, Mr. Bowman. It might have come along from the former——

Q. And are we to understand that it is something new that is being kept, a record that is being kept by the Commission without being sanctioned by them?—A. It was never discussed by the Board in my time.

Q. Has, or has not, a copy of this record been sanctioned by the Commission?—A. I cannot tell you. It never was in my time.

Q. And you, as a Commissioner, swear that you do not know whether this record kept by Miss Saunders is sanctioned or not?—A. I know now that it is kept, but it has never been sanctioned, as far as I know.

Q. Up until you appeared here this morning, you did not know?—A. You ask me if it had been sanctioned. I say——

Q. I asked you if the keeping of the record has been sanctioned by the Commission?—A. Not as far as I know—not in my time.

Q. And until you came into this witness box this morning you did not know that Miss Saunders kept that record?—A. That is quite true.

Q. Just a minute now, you did not know that Miss Saunders kept that record with the authority of the Commission?—A. No.

Q. All right, and you say that you had seen it several times and have been told that you have been "watched"?—A. Yes.

Q. Is that correct?—A. Correct.

Q. At what intervals during your occupancy of this office?—A. Well, it has not been as frequent as it was in the first, say, two or three years, but I have had it pretty generally throughout my——

Q. Pretty generally throughout your career as Commissioner, that is, reports have come from time to time to you that you were being watched?—A. Yes, they were more frequent when I first came.

Q. Yes, but you still have them, they still continue to come to you?—A. Well, I cannot say that now. They were not of any consequence. I never took them seriously.

Q. Have they ceased to come to you?—A. I do not know that they have ceased, Mr. Bowman.

Q. They have not ceased even yet?—A. I do not know that they have.

Q. So that right from the start, right up to the present time, some persons have been telling you that you have been watched, that your activities have been watched?—A. As a matter of fact—and I hope you will not question me on it——

Q. Do not say it if you do not want us to question you on it.—A. All right. Very good.

Q. And for what were you being watched?—A. Well, I cannot tell you that.

Q. You do not know?—A. No. The popular phrase is—I do not like to use it—"They are out to get you." Now, who "they" are I do not know.

The CHAIRMAN: Excuse me, Miss Saunders. I asked for the Attendance Book. I asked the secretary of the Commission to have here, at 3.30, the Attendance Book and the Minutes for August, 1929. I would like you to be here then, too, please.

Miss SAUNDERS: Very good, Mr. Chairman. I was not leaving now. I was just going out to telephone.

The CHAIRMAN: Excuse me, Mr. Bowman, but I notice in Dr. MacTavish's expense account here it says "See vouchers 72 and 224". What vouchers would those be?

Miss SAUNDERS: Are they not among the vouchers that were sent up yesterday?

Mr. MACINNIS: All the vouchers are here.

The CHAIRMAN: I wonder if you could get those vouchers for me, Miss Saunders?

Miss SAUNDERS: I really do not know a great deal about those accounts.

Mr. BOWMAN: Is Dr. MacTavish's secretary here? We might ask her.

The CHAIRMAN: Whose writing is that, have you any idea, Miss Saunders?

Miss SAUNDERS: Yes, I think it is the clerk's in my office who looks after the accounts.

The CHAIRMAN: Then that would refer to some voucher, you think, or does it refer to some of those vouchers that are already here?

Miss SAUNDERS: Well, I think so. The voucher, I think, is the requisition that is made out asking for the money.

The CHAIRMAN: We will adjourn till 3.30, gentlemen.

The Committee adjourned at 1 p.m. to resume at 3.30 p.m.

AFTERNOON SITTING

The Committee resumed at 3.30 p.m.

NEWTON MACTAVISH, examination resumed:

By the Chairman:

Q. Dr. MacTavish, since the adjournment this morning, I have looked up every available record in the Civil Service Commission to try and straighten out this matter of the record of your attendance in the month of August, 1929. You stated this morning that you were away on that occasion for five days, either commencing with the 20th or finishing with the 20th, and cited these Minutes to indicate that discrepancy?—A. Yes, according to this record.

By Mr. Ernst:

Q. When you say you were away on the 20th, do you mean that you were either out of Ottawa that day or you left Ottawa that day, is that right?—A. Well, we discussed that before.

Q. I did not ask you if we had discussed it before. Please answer.—A. I think I said then that I did not know whether I left on the 20th or what day, but in all probability it would include the 20th, whether it was before or after.

Q. So that if you were in the Commission, then, on the 20th, and you left on the afternoon of the 20th, you would have charged a half day?—A. Right.

Q. Or you were out of the Commission offices the whole day of the 20th?—A. I do not recall that.

Q. Well, were you or were you not?—A. I do not know.

By the Chairman:

Q. On August the 20th, 1929, Doctor, the Minutes of the Civil Service Commission show that that day was a Tuesday and that there were present on that day yourself and Mr. Tremblay. You presided on August the 20th.—A. What day is that, on August the 20th?

Q. Tuesday, August 20, 1929. You presided in the absence of the Chairman, and you signed the Minutes of that day as Chairman of the meeting. According to this record, it would indicate that on Wednesday, August 21st, none of the Commissioners were present that day at the Commission offices, because the Minutes say "Commissioners present" and they do not fill in any names, and in glancing over the Minutes of that day it appears that there were purely entries of routine matters, and Dr. Roche, as Chairman, instead of signing the Minutes of that day merely put his initials at the place where the Chairman usually signs. On August the 22nd, Thursday, there is no Minute. On Friday, August the 23, 1929, it shows that you were absent.—A. Pardon me, did you say that Thursday there was no Minute?

Q. There is no Minute of any kind for Thursday, August the 22, 1929.—A. No Minute at all?

Q. No Minute of any kind. Was that a holiday?

Miss Saunders: I think there may be something noted in the margin; if there was only one Commissioner present that day the Minutes would not be dated that day, but we would note it in the margin of the 23rd.

The Chairman: Will you please come up here and see if you can help me. Miss Saunders points out to me that the reason there are no Minutes for Thursday, August the 22nd, is because there were not two Commissioners present on that day—and her statement would appear to be borne out by the statement filed which we are now considering to determine the accuracy or inaccuracy of same—there would not be Minutes drawn for that day, but the Minutes of that day would be included in the 23rd, and in substantiation of her statement she points out to me that there is a marginal note on the Minutes of that day, August 23rd, that they include the Minutes of August the 22nd.

Mr. Ernst: May I point out, Mr. Chairman, that the Attendance Book corroborates that in that it shows that on August the 22nd the only Commissioner present was Dr. Roche.

The Chairman: Well, now, to continue with August the 23rd, then, we have the Minutes of both the 22nd and 23rd,—and according to the Minute Book Dr. MacTavish was absent on August the 23rd, that is Friday.

Mr. Chevrier: Is that 1928?

The Chairman: 1929 is what we are dealing with.

The next Minute is Saturday, August 24, 1929, which again indicates that Messrs. Roche and Tremblay were present and not Mr. MacTavish. Sunday would not be charged against Commissioner MacTavish as an absent day in

any event, as it came at the end of the period. Therefore, according to those Minutes, it would appear that the record which we have here of absences of Dr. MacTavish is correct when it shows that he was absent from the 22nd to the 24th inclusive, with the possible exception that, apparently, he was absent on Wednesday, August the 21st.

Mr. ERNST: If you go then to the Attendance Book—

The CHAIRMAN: I am dealing with the Minute Book. No Commissioner was credited with being either present or absent in the Minutes of Wednesday, August 21, 1929.

Mr. ERNST: On the Attendance Book, under date of August 20th, appear the names present,—Dr. MacTavish and Commissioner Tremblay. August the 19th—I will go back a day—appear the names of Dr. MacTavish and Commissioner Tremblay. August the 21st, Dr. Roche and Dr. MacTavish. August the 22nd, Dr. Roche only. That is the date it was blank in the Minute Book.

The CHAIRMAN: Yes, no Minute for Thursday.

Mr. ERNST: My point is, that this Minute, apparently as far as we go, August the 23rd, present: Dr. Roche and Commissioner Tremblay; Commissioner MacTavish apparently absent; August 24th, Dr. Roche and Commissioner Tremblay, which would indicate from the Attendance Book that Commissioner MacTavish was absent from August 22nd to 24th inclusive, and was present again on Monday, August 26th—all three Commissioners being present on that day.

The WITNESS: This record here,—and this is the record I have under consideration—shows that I was absent on the 25th and on the 27th.

Mr. ERNST: You are looking at the wrong year now, what year are you looking at now?—A. Oh, yes, that is the other one.

The CHAIRMAN: August, 1929, is what we are dealing with.

Q. Now, then, Dr. MacTavish, I want to point out to you another entry in corroboration of the accuracy of these Minutes. Here is a statement of your expenses which is produced by the Civil Service Commission for this trip in question, a duplicate copy of which you apparently referred to this morning when you fixed the date of August 20th. Although your statement is made out under date of August 20th, it has on the bottom of it, "See vouchers 72 and 224." These vouchers, Miss Saunders explains to us—and it also has another one, "See voucher 235"—are requisitions made on the accountant for money for the payment of expenses. The first voucher referred to, No. 72, was a voucher made out for you for an advance for travelling expenses, and perhaps we can disregard that. On the other hand, voucher No. 224, in which you obtained $50 toward travelling expenses, in addition to that $50 previously obtained, was made out and dated August the 21st, 1929, signed by W. Foran and W. J. Paynter, the accountant, certifying to it.

By Mr. Ernst:

Q. You understand, that was a requisition for an advance for this trip, Doctor, not after it was made or during its progress.—A. Yes, that same trip. Does it say that trip?

Q. Your voucher shows it is credited to that trip as an advance.—A. That may be; that is a common practice; yes, it may be.

By the Chairman:

Q. I am merely trying to collect together all the evidence available as to whether you were or were not in Ottawa on the days shown on these statements which were returned to us by the Civil Service Commission and which have been challenged by you. That voucher, as I say, No. 224, for an advance,

is dated August 21st, 1929. Now, then, voucher No. 235, to which is attached your original statement for expense account, which original statement bears date August 29th, 1929, is signed by Dr. Roche instead of by the Secretary of the Civil Service Commission, and again certified by W. J. Paynter, accountant, on the same day.

Mr. CHEVRIER: Was that on August 29th?

The CHAIRMAN: August 29th.

Mr. CHEVRIER: And what is the amount of that?

The CHAIRMAN: That is the full amount of his expenses, $111.10 for this trip to New Brunswick. On the statement there is "Credited to previous advance—$50," to which I referred, and shows a balance owing you of $11.10, for which this voucher was a requisition.

Mr. CHEVRIER: That is on the 29th of August.

The CHAIRMAN: The 29th of August.

Q. Therefore, Doctor, I think you must agree with me that although your statement of expenses was dated August 20th, 1929, it is pretty obvious that it was made out and attached to this voucher on the 29th August, 1929.—A. They are always made afterwards.

Q. And, therefore, that voucher and this date does not, in itself, give any evidence as to the inaccuracy of this report filed with us by the Civil Service Commission of absences.—A. Well, you will recall—

Mr. MACINNIS: Would not the other vouchers rather prove that the attendance record is correct?

The CHAIRMAN: I do not think there is any question about that. I was putting it in its mildest form. The attendance record having been *prima facie* proven before this Committee, I merely put it on this basis, now is there anything submitted to disprove it? So far I think the evidence submitted does not disprove the accuracy of this record. If anything, it substantiates it.

Mr. CHEVRIER: Is there any trouble there about the other items in August, from the 1st to the 3rd, and the 9th to the 10th or the 15th?

Mr. ERNST: Dr. MacTavish does not raise any question about those.

Mr. BOWMAN: If you were going to ask about those earlier dates, would you mind if we first finished up with the 20th?

Mr. CHEVRIER: My concern is to find out—maybe some of you can help me—whether the Doctor was present at his office on the 20th?

Mr. ERNST: The Minutes show that he signed the Minutes of the Commission on that day, on the 20th, down at the Commission offices after he charged a day's expenses for being in New Brunswick.

The CHAIRMAN: On Tuesday, August 20, 1929, the record of the Minutes show that Dr. MacTavish presided at the meeting, and Dr. MacTavish's signature appears at the foot of the Minutes under the word "approved," and above the words "For the Chairman," so that he signed this with his own signature.

Mr. ERNST: And the attendance record shows he was present on the 21st, which is the second day that he says he was away and for which he charged expenses.

Mr. CHEVRIER: I will be very obliged if you will kindly follow that up because it helps me considerably; what about the 21st?

The CHAIRMAN: So far as the Minutes are concerned, Mr. Chevrier, they do not indicate which, if any, Commissioners were present on Wednesday, August 21, 1929, but the attendance book does show that Dr. MacTavish was present with Dr. Roche on Wednesday, August the 21st.

Mr. CHEVRIER: That is the attendance record?

[Dr. N. MacTavish.]

The CHAIRMAN: Yes, the attendance record, but not the Minutes in themselves. And I call attention to the fact that in that Minute Dr. Roche did not sign as Chairman of the meeting. He merely appended his initials.

Mr. CHEVRIER: Without going any further into it at all, *prima facie* I would say that the Minute signed by Dr. MacTavish might be conclusive evidence, but you will appreciate that I am not quite prepared to admit that the Attendance Book would not carry, to my mind, the same weight as the Minutes.

Mr. ERNST: With the Attendance Book, if it comes to a question of the weight of evidence, and the Minute Book, it is conclusive evidence against him.

Mr. CHEVRIER: The Attendance Book is not subject to the same conclusive proof of evidence as the Minutes.

Mr. BOWMAN: You should bear in mind, Mr. Chevrier, that this voucher was paid on August 21st. He got an advance on August 21st in Ottawa.

Mr. ERNST: It is merely a corrobative fact. When he was supposed to be away he got $50 out of the Commission, when he swears he was in New Brunswick.

By Mr. Bowman:

Q. Now, Mr. MacTavish, you stated, prior to the time of adjournment, that the account slip showing your travelling expenses would be dated either the first day or the last day on which you went on your trip.—A. I said—

Q. And the voucher in question bears date August the 20, 1929. What explanation have you to offer?—A. Just this, Mr. Bowman: During the lunch I asked my secretary if she recalled this, if she had any precise record of this, and she reminded me—

Mr. ERNST: I do not think you should be allowed to say of what she reminded you. I am taking the objection, Mr. Chairman, that the witness cannot say of what he was reminded. His secretary can be called to say what she does remember, but I do not think the witness can.

Mr. BOWMAN: You cannot give evidence as to what she said.

The WITNESS: No, she was not here. That is what she says. There was someone else then.

The CHAIRMAN: Just for future reference, it is not proper, in giving evidence, for you to say what someone else told you, but it is perfectly proper for you to say that as a result of something somebody told you it recalled back something to your mind. We will call your secretary herself in a few minutes.

The WITNESS: I did not swear that this was a precise record. I was comparing it with this—

Mr. CHEVRIER: Doctor, when you say that "this" was not a precise record and that you were comparing it with "that," it does not mean anything in the notes of evidence. If you will kindly identify both of the documents to which you have referred it will make it clear on the record.

By Mr. Ernst:

Q. What you are saying is, the record of expenses is not a proper record?—A. I cannot take it as the precise dates. I think I indicated that. I said it would likely include the 20th.

Q. What we are interested to know about is in connection with the five days.—A. I can explain—

By Mr. MacInnis:

Q. You say, in connection with the bill of expenses, that the date there is not necessarily a precise date?—A. Oh, no.

Q. Well, then, how are you going to prove by something that is not a precise date that something else is?

Mr. ERNST: That something else is wrong.

By Mr. MacInnis:

Q. Yes. Now you say where it shows August 20, 1929, that that is not necessarily a precise date, and then you are going to prove from that, where the attendance record shows August 22nd to August 24th, that these are not correct dates.—A. That record there, that is the one that was handed in to the Committee, as I look over it, this was, I think, the first one I discovered that did not properly compare with my expense sheet. I only took two items. That was one of them, and if I did not make the reservation I should have, that the 20th, I cannot say whether that was the 25th, or the 15th to the 20th, or the 20th to the 25th. I have been told since that I had a different secretary. The record was not kept the same; but I was in New Brunswick sufficiently close to that date.

By Mr. Chevrier:

Q. Doctor, when you travelled like that, did you travel on a ticket or on a pass?—A. On a pass to a point where we cross the State of Maine. We had to pay cash there.

By Mr. Ernst:

Q. Do you know the number of the pass?—A. I do not think I have it with me. It is an annual pass.

Q. Have you the same number each year?—A. No, the last two years it has been the same.

Mr. ERNST: Perhaps we could find out the number. It seems to me, from the way we are getting the Doctor into difficulties he ought to have a solicitor to advise him because the implications are rather grave, if the pass does does not bear out what he says.

The WITNESS: Oh, well, Mr. Ernst, the pass would bear the date, if it were looked up, near enough the 20th. I have said that might not be the correct date, but it is sufficiently near this record.

Q. You have sworn definitely that you were away on the 20th, and that this record was wrong?—A. Let us grant you that. In spite of that—

Q. I want to be fair to you. You swore you were away on the 20th, and then we find a Minute which is definitely signed by you, a Minute signed by you on that date. You swore you were away for five days, of which the 20th is one, and we find on the 21st that you are making a requisition for cash to go.

Mr. CHEVRIER: That is, the document would be signed on that date?

Mr. ERNST: The advance for cash is apparently not made, not before the document is signed, I assume. We find also that the attendance book shows you as being present on the 21st.

Mr. CHEVRIER: Subject to all that—

Mr. ERNST: I want him to see the gravity of the situation, because it does not amount merely to the fact that you are incorrect, it means something else—that your account was padded to boot, if the records are correct. Someone is horribly wrong; it is a serious situation. It is not merely a question of inaccuracy, it is a question which might involve a criminal charge.

The WITNESS: I was away on Commission business about that time, apparently, according to this, and the 20th was included.

Mr. ERNST: I am merely trying to point out the gravity of the situation. It is quite possible that it is all capable of perfectly innocent explanation; but I am merely pointing out to you that if those records are correct and you are incorrect, it is more serious than a mere mistake on your part.

Mr. CHEVRIER: I am quite prepared to admit this, Mr. Ernst—

Mr. ERNST: I simply want to be fair.

Mr. CHEVRIER: Yes, that is the primary idea.

Mr. ERNST: And I was wondering whether he ought not to get advice, as a matter of fact.

The WITNESS: I do not think so, Mr. Ernst. As I see it, the only point of any consequence is—and you may differ with me—whether I was in New Brunswick, whether I spent that money in the public interest—

By Mr. Ernst:

Q. Do you not see, Doctor, the gravity of the whole thing, where you collected five days' expenses and were only away three, as the record shows?—A. Oh, yes, that would make quite a difference.

Mr. CHEVRIER: There may be an honest difference, Mr. Ernst.

Mr. ERNST: I am merely pointing out the seriousness of the apparent situation.

The WITNESS: Is the other Minute signed by me?

Q. There is one Minute signed by you, on the 20th, Dr. MacTavish; and we find on the 21st—and I point it out again—the attendance book shows you as absent from the offices, and we find on the 21st a requisition for cash for you to go on this trip when you have sworn you were away.—A. I swore according to this document.

Q. No, you did not swear according to anything. You swore definitely.

By Mr. Vallance:

Q. Had you seen the attendance book at all?—A. No.

Q. But you had seen the Minutes of the 20th?—A. Apparently I did.

Mr. ERNST: I would like to know that. Apparently you did or you did not. I am going to show it to you. Is that your signature, Dr. MacTavish?

Mr. CHEVRIER: Look at the Minute and give us the date, Doctor, and see whether that is your signature.

Mr. ERNST: The Chairman has just suggested it, something I have just overheard. There is a perfectly innocent explanation as far as the five days are concerned.

The CHAIRMAN: The explanation is palpable on the face of it, having regard to all the records before us. He leaves Ottawa on the afternoon train on the 21st to go to Montreal. The train leaves here at 3.35. He counts that one day. The 22nd, on which he was absent, is two days; the 23rd, three days; Saturday the 24th, four days; and the Sunday, on which he returned, of which there is no record in the Commission because it is a Sunday, is the fifth day.

Mr. ERNST: Which disposes of that phase of it, Mr. Chevrier.

Q. But is that your signature, Dr. MacTavish?—A. Yes; but there is just this point, that I may have signed this, that Minute Book, very probably did—

The CHAIRMAN: For goodness sake, Doctor, do not contend now that you left here on the 20th.

Mr. ERNST: There has been a very fine explanation made for you. Now please accept it.

The WITNESS: I say those Minutes are usually signed afterwards. If I was here on the 20th, the Minute would not be ready for me to sign.

Mr. ERNST: Take the lead the Chairman has given you, Dr. MacTavish.

By Mr. Bowman:

Q. With regard to this date of August 20th, let us just clear that up. You swore this morning that that was either the first day or the last day upon which you went on this trip?—A. Apparently, I said, according to this document. If I did not say that I intended to.

Q. According to the document then.—A. This document, that is the only thing I have to go by.

The CHAIRMAN: According to a duplicate original of his expense account.

The WITNESS: Yes, that is all I wanted to establish, that this has been in keeping with my record, and I grant you then that my record was not correct as to the time.

By Mr. Bowman:

Q. Then when you swore positively this morning that these accounts were made out so as to include every day, or rather including either the day you started out or the day you got home, or sometime during the trip, you were wrong?—A. They are approximately right.

Q. I do not care about approximately.—A. Oh, yes, as to that apparently I was wrong.

Q. And is that the kind of evidence on which you want to question the records of your own Commission?—A. I expected that, Mr. Bowman.

Q. Well, is it, or is it not? You are challenging the records of your own Commission. Is that the kind of evidence on which you want to question them? —A. No, that is not the evidence. I have some more evidence. I have one other item. Maybe that too is wrong.

Q. Well, have you any more on this item?—A. I have nothing more to say, Mr. Bowman, other than this: that I was away that length of time in connection with my duties in the Civil Service Commission.

Q. Some time about that period?—A. Yes, and on business for the Civil Service Commission, and I know pretty well what the business was; but I have one other item—

Q. Just a minute, we have not got to that item yet. You also said this morning, that from the time that you went into the service friends of yours, or enemies—I do not know which you meant—had come to you and told you that you were being watched?—A. Yes.

Q. And after that you kept hearing that again and again?—A. I have heard it repeatedly.

Q. Repeatedly?—A. Yes.

Q. For years?—A. Yes.

Q. And the explanation just before the adjournment was, that you were being watched because someone was trying to get you?—A. Yes.

Q. What for?—A. I do not know.

Q. You do not know?—A. No.

Q. Had you done anything that anyone should try and get you?—A. No.

Q. Well, then, there was no reason why anybody should make this statement to you, was there?—A. I did not bother with it at all, Mr. Bowman.

Q. But still they came to be repeated to you?—A. Yes; there were statements made even in the public Press, all very erroneous statements.

Q. As to you being watched?—A. As to my doing things.

Q. As to your doing things?—A. Not just that way.

Q. Or as to someone trying to get you?—A. No; not just quite that, but they might be the same thing.

Q. And you also said that there were some other peculiarities that you were withholding. You intimated that. Now, just what peculiarities are you withholding?—A. I do not think it was peculiarities, Mr. Bowman.

Mr. CHEVRIER: If he is withholding peculiarities, he is withholding them, that is all. I submit, Mr. Chairman that if he is withholding anything, if the witness wants to say now what he did not say before, he is at perfect liberty to do so, but nobody on this Committee can force him to say what he did not want to say a moment ago.

Mr. BOWMAN: I am not trying to force him to say anything. I am asking what are the peculiarities that he is withholding.

The CHAIRMAN: Wait a minute, gentlemen. As I understand it, the witness said this morning that there was certain information which he had obtained and which he did not care to disclose.

Mr. BOWMAN: Peculiarities was the word he used.

The CHAIRMAN: And he said he did not want to be questioned on it, and Mr. Bowman then said "Do not say if you do not want to be questioned on it." Now, that, I thought, was a perfectly proper statement, so I made no objection to it. Now, I understand, Mr. Bowman, you are asking the witness what it was he was going to say this morning which he withheld?

Mr. BOWMAN: No, no; not at all. Subsequent to that statement the witness said that there were some peculiarities that he had withheld. Something subsequent to my remark at that time not to say anything if he did not want to be questioned about it.

The CHAIRMAN: You are asking him what were those peculiarities?

Mr. BOWMAN: Yes.

The CHAIRMAN: I cannot see any objection to that.

Mr. BOWMAN: The witness can answer as he likes.

The WITNESS: I think, Mr. Bowman, that the peculiarities I spoke about were the same thing. I think that it was the same thing. I rather think that that was in my mind and I expressed it probably in another way later on.

Q. You have brought out all the peculiarities you had in your mind, have you?—A. I have not brought any out.

Q. Well, is there anything you would like to say to this Committee?—A. I would like to say this, that I withheld the statement—if I used the word peculiarities it is a good word—if I were to explain what the peculiarity was that was in my mind it would not be something that I would,—I do not want to do it—it would involve one or two persons that are prominent.

Mr. ERNST: For goodness' sake, Doctor, do not mention it at all, unless you are going to explain.

The WITNESS: Well, all right.

Mr. CHEVRIER: If what you have in mind is vital to your case, then you are the sole arbiter as to whether you should say it or not, but if it is not something that is vital to your case—if it is something that is not going to lead this Committee to a better understanding of the facts—well, that is for your own conscience to say.

The WITNESS: It has not anything to do with what is before this Committee.

Mr. BOWMAN: That is the point I am trying to clear up. The innuendo that was made with respect to the remarks. Do not make any innuendos unless you really have something to say.

The WITNESS: You are asking, Mr. Bowman, if anybody had ever said to me that I was being watched, and such like.

Q. That was not what I was referring to at all. You volunteered that yourself.—A. I beg your pardon, I thought it was.

The CHAIRMAN: Is there anything further arising out of this matter from August 22nd to 24th, 1929?

Mr. CHEVRIER: I thought we were through with all this, Mr. Chairman.

Mr. BOWMAN: I want to know what record there is on file, and what you did on this trip too, wherever it was you went to, under date of August 22nd to 24th?

The CHAIRMAN: If any?

The WITNESS: No record. No particulars.

By Mr. Bowman:

Q. No particulars at all?—A. Oh, yes, I have looked at it. I know what the particulars are myself.

Q. Well, I am asking you, is there any written record of the business that you performed on this trip for the Commission for which you charged the Government?—A. Not here, no.

Q. Have you got it anywhere?—A. Yes.

Q. Where?—A. In my head.

Q. In your head?—A. Yes.

Q. And are we to understand, Dr. MacTavish, that that is the only place where the records of business trips taken at the Government expense are carried, —in your head?—A. Not all, no.

Q. Not all?—A. No.

Q. But that is all there is with respect to this particular trip?—A. Well, it is known why I went there. The records may show why I went there.

By Mr. Ernst:

Q. What records?—A. At the Civil Service Commission. I went down,—for instance, one case was at Woodstock.

By Mr. Bowman:

Q. Never mind one case. I am talking about this case, August 22nd to 24th.—A. That is the case I am speaking of, at Woodstock, N.B.

Q. That is where you went to on this date?—A. That is one place I was at.

Q. Yes, where else?—A. St. John.

Q. St. John?—A. Yes.

Q. And what business were you on?—A. At Woodstock there was grave difficulty over the appointment of a caretaker under National Defence in the Armoury there. I discussed it with Dr. Roche and it was decided that I had better go down and try to straighten it out. It was something,—I do not recall exactly what it was. It might have been the residence qualifications.

Q. You have just said what it was, have you not?—A. I say I do not know the precise,—it was some difficulty, probably a disability entitlement of a man, or his residence qualifications. He had no right. It was something to do with the competition we were then conducting for that caretakership in the armouries.

Q. Where?—A. At Woodstock.

Mr. BOWMAN: Mr. Putman, kindly let me have the file in connection with that appointment.

Q. And what else?—A. Well, I am not sure of this date. I was down three times.

Q. I am talking about this date.—A. I am saying I am not sure about this date. I should rather think that I stayed at a place, I think it was Kentville, near Wolfville.

Mr. ERNST: Oh, Dr. MacTavish, how are you going to get from St. John to Kentville, without getting across the Bay of Fundy.

Mr. CHEVRIER: Let the witness proceed.

Mr. ERNST: I do not want Dr. MacTavish swearing that a trip to St. John took him to Kentville, N.S. I mean, his geography should be better than that.

Mr. MACINNIS: If Dr. MacTavish wants to swear to that, surely it is all right.

Mr. ERNST: All right, let him go. I was only trying to hold him up.

The WITNESS: I can tell you what place it is without naming it. I cannot name it. It is probably 15 or 20 miles away, I will say, this side of Wolfville.

Mr. ERNST: That is just as bad.

By Mr. Bowman:

Q. And that was the other business which you performed on this trip?—A. No, I am saying—

Q. Well, I am talking about this trip. Surely you can answer my question. —A. Well, I went on to St. John. There was some difficulty there in the port, in the St. John Customs office.

Q. Did you go to all those other places?—A. I realize that was another trip.

Q. You realize from what Mr. Ernst stated that you could not possibly do it.—A. But, Mr. Bowman—

Q. Is it true or not true?—A. I said it was a place I cannot recall the name of. I realize that Wolfville is in Nova Scotia.

Mr. BOWMAN: It is the most extraordinary situation I have ever come across, Dr. MacTavish, coming from a man holding the position of a Commissioner.

By Mr. Ernst:

Q. Just one question, Dr. MacTavish. You swore this morning that you never noticed that the Minutes contained a record of who was present.

Mr. CHEVRIER: Well, Mr. Ernst, if they did not contain a record of the presence—

Mr. ERNST: Mr. Chevrier, the evidence of the witness was that he had never noticed until this morning that the Minutes of the Commission, the daily Minutes, contained a record of Commissioners present.

Mr. CHEVRIER: They probably did not constitute a record.

The CHAIRMAN: Don't let us quibble.

By Mr. Ernst:

Q. Will you just look at that heading, Dr. MacTavish, of August the 20th? —A. I see August the 20th without looking at it.

Q. You see that headline states, "Present, Commissioners MacTavish and Tremblay?"—A. Yes, I see that.

Q. In plain print?—A. Yes.

Q. And never noticed that before?—A. No.

Q. On any daily Minutes?—A. I may have, but what I said here—

Q. Have you ever noticed it before?—A. Well, no.

Q. Now, that is what you swore to this morning. Thank you.

The CHAIRMAN: Any other questions, gentlemen, arising out of this matter of the dates in August of 1929?

Mr. CHEVRIER: Not by me.

The WITNESS: I would like, if I may, to inform the Committee, in looking at this bill I find not only have I St. John, but I have a note of Woodstock, so that I was in Woodstock and St. John.

By Mr. Ernst:

Q. What bill are you looking at, Doctor?—A. The one you were looking at.

Q. Not a copy of what you filed with the Commission?—A. No. I don't know whether it is St. John or not. Yes, St. John is down here, so that I was at Woodstock and St. John on that trip.

Q. Well, now, what are you reading from?—A. I am reading from my sheet of expenses.

Q. Well, is that a copy of the expenses which you filed with the Commission? Does that purport to be a copy of the original which we have?—A. I have not seen what was filed here.

Mr. BOWMAN: It has been shown to you two or three times.

The WITNESS: What I have is a copy supplied to me and authenticated by the accountant, initialled by him. You probably have the precise copy there.

By Mr. Ernst:

Q. I ask again just to make sure because my recollection, Dr. MacTavish—I just want to be fair to you—is that Woodstock is not mentioned in that account. A. No, it is not.

Q. But that was— —A. I know it is not; but I say to you I know about Woodstock.

Q. Well, is it on your record, or is it not?—A. It is not on that printed record.

Q. Well, why do you say "I find from my record that I was at Woodstock"?—A. Yes, I was in Woodstock.

Q. What record do you find that from?—A. I have not any printed record.

Q. Then why say, "I find by looking at my record".—A. Oh, we generally keep a record.

Q. What I am saying is—Why swear, "I find from my record"?—A. This is my record. I recollect that I put that on there.

Q. When did you put that on there?—A. Just recently, the other day.

Q. You put that on this morning?—A. Oh, no. I put that on as soon as it was supplied to me. This was given to me, probably, well—it was before I left the office, before I had my arm broken, so that is two months ago.

Q. And you put that on since?

Mr. CHEVRIER: About two months ago.

The WITNESS: I put it on two months ago, probably. I do not know when I put it on, but I put it on as soon as it was received. That was merely to refresh my memory as to where I was.

By Mr. Ernst:

Q. You knew perfectly well when you put that on your own copy that it was not on the original?—A. Oh, quite. Yes.

Q. Then why did you not say so five minutes ago?—A. I do not think that was asked.

Q. Certainly it was asked. I asked you if that purported to be a copy and you said—Yes.

The CHAIRMAN: The duplicate original account which Dr. MacTavish is referring to, and which he has before him, I observe has written opposite the first line thereof, in pencil, the word "Woodstock".

By Mr. Bowman:

Q. Dr. MacTavish, do you know when you put that word "Woodstock" there?—A. It was recently, Mr. Bowman, yes.

Q. Well, I am asking—Do you know when?—A. I do not know.

By Mr. Ernst:

Q. Was it there this morning?—A. Yes.

The CHAIRMAN: Any further questions arising out of this matter of August, 1929, gentlemen?

Mr. CHEVRIER: No.

The CHAIRMAN: Then, Dr. MacTavish, I think you said there was another inaccuracy?

Mr. BOWMAN: I thought the Doctor was going to produce some other evidence on this score.

The CHAIRMAN: Take all his evidence first and then we can call the other witnesses one at a time.

The WITNESS: I think I said I had just two.

By Mr. Ernst:

Q. What is the second?—A. I really have not had time. I do not like to complain. I had not the energy or strength. At noon I rested. I did not go through those any more. I had just two items.

Q. What is the second?—A. The second one? I do not want to get it mixed up like I did before. August 28th.

Q. I hope not.—A. I have here August 28th.

Q. August 28th?—A. My condition reminds me something of the paperhanger.

Q. August 28th?

Mr. CHEVRIER: Let us see what the witness says.

The WITNESS: Yes. I was mixed. Sometimes I write with my left hand. I think this was probably written with my left hand, probably with the right hand. I mistook 28 for 29. I am looking into them. They are made out under fiscal years; they are rather confusing.

The CHAIRMAN: I would suggest you do not make any statement in connection with it until you have the whole matter before you.

Mr. ERNST: Make sure you are right before you go ahead.

The CHAIRMAN: Check it to see if the record bears out what you want to say, and then let us have it.

The WITNESS: I am trying to get the year 1928.

Mr. CHEVRIER: Take your time and get it so that we we will not have it all inaccurate. Get to the point that you are absolutely sure.

Mr. BOWMAN: Is that possible?

The WITNESS: It does not look like it, Mr. Bowman.

Mr. CHEVRIER: It is not in my hands.

The WITNESS: I find that, and again, of course, as I say, this is—

Mr. CHEVRIER: Please. When you say "this," we do not know what you mean.

The WITNESS: Well, those dates—

By Mr. Chevrier:

Q. Might I suggest this; you have before you a document with which the members of the Committee were supplied this morning and it contains dates of alleged absences. Let me put it that way.—A. Yes.

Q. Then, you have with you certain other documents that you want to confront or compare with that other. Now, please identify those when you go along, so we will know to which one you refer.—A. Well, my statement here of expenses shows different dates from those in your return.

By Mr. Ernst:

Q. To what month and what year are you referring?—A. I am referring now to August, 1928.

Q. August, 1928?

By Mr. Chevrier:

Q. 1928?—A. Yes.

By Mr. Ernst:

Q. Just go through it there so we will get it here—August, 1928. The record supplied by the Commission, or by its secretary, shows that you were absent on the 7th, 10th to the 14th inclusive, 27th and 31st.

Mr. CHEVRIER: What have you got to say about those items, Doctor?

Mr. BOWMAN: Which ones?

By Mr. Chevrier:

Q. Let us take, for instance, the 7th.—A. I say I do not dispute the 7th.

By the Chairman:

Q. What about the 10th to the 14th?—A. I have no record of that at all.

Q. The 27th?—A. Not here; but I have in my expense account here, which shows—

By Mr. Bowman:

Q. What is the date of your expense account?

By Mr. Ernst:

Q. Read the date on the top.—A. I have got the wrong—

By Mr. Bowman:

Q. What is that?—A. I have the wrong thing again.

By Mr. Chevrier:

Q. This morning, Doctor— —A. Yes, I have it now.

By Mr. Ernst:

Q. All right, go ahead.—A. August 20 and 21st. I have here "absent" according to this record for those dates. That is the statement there, and they are not borne out by this sheet.

By Mr. Bowman:

Q. Will you tell us what "this" is, Doctor?

By Mr. Chevrier:

Q. I just want to put in this: this morning when you referred to the date of August, 1928, you suddenly thought that you had become confused, and then you let it stand.—A. I did, because—

Q. Maybe those words are not proper to apply, but when you spoke about August, 1928, I put down on my file at the time—I might have been wrong—maybe I misunderstood you—that you had been absent from the 12th to the 18th, and that did not show on the document which Miss Saunders has prepared; and that therefore you said that the statement in so far as the month of August, 1928, was concerned, was inaccurate, in that it did not show that you were absent from the 12th to the 18th. Now, I may be altogether wrong—

Mr. BOWMAN: You are quite right, Mr. Chevrier.

Mr. ERNST: He withdrew that.

Mr. CHEVRIER: He withdrew that?

Mr. ERNST: He said it was wrong.

The CHAIRMAN: He said he was talking about June.

By the Chairman:

Q. I think I can hasten this for you, Dr. MacTavish. You have now before you a duplicate original of your expense account which bears date, 1928, August 20th, to expenses in connection with conducting advisory board at Meteorological office, Toronto, etc.; and then the next item is August 21, enquiry at Port Hope, in connection with recent examinations for customs excise examiners— —A. Yes.

Q. According to that record you allege that you were absent from the Commission at Ottawa on August 20th and 21st, 1928.—A. If that is correct.

Q. Assuming that record is correct?—A. Yes.

Q. Have you any reason to dispute the report made to us by the Civil Service Commission as to the accuracy of your absences other than this duplicate original of your expense account, which you have before you?—A. None at all, no.

Q. That is the whole story, is it not?

By Mr. Ernst:

Q. Have you any reason to dispute any of the dates on which you are actually shown to be absent?—A. Nothing more than I have not looked at that.

Q. Well now, I read you August 7th, 10th to 14th, 27th and 31st. Have you any reason to dispute any of those dates; that you were not actually absent on those dates?—A. No, I have no reason, I do not remember.

Mr. BOWMAN: Does Dr. MacTavish say anything beyond the 20th and 21st?

Mr. ERNST: No.

The CHAIRMAN: No, not in the expense account.

Mr. BOWMAN: What is there to prove the records are wrong?

Mr. ERNST: Nothing, except he claims he was absent two extra days.

The CHAIRMAN: And as there is an allegation of inaccuracy in this report, I think you might as well clean it up. I think you are quite right if you think the records are not the same.

Mr. ERNST: Are you challenging this record as being incorrect?

By Mr. Chevrier:

Q. Now, Doctor, is there anything further in connection with those two items?—A. No.

Q. Outside of the two items that you have just mentioned?—A. I have not gone through to find out, but probably not.

By Mr. Ernst:

Q. Put it either way. Are you in a position to challenge anything else other than what you have already asserted?—A. No.

Q. With reference to that record?

By Mr. Chevrier:

Q. You say no, because you have not gone further. Up to the moment, Doctor, you have not anything else to challenge?—A. For the moment I have nothing else, no. I have challenged this morning the method of keeping the record.

By Mr. Ernst:

Q. Now, Doctor, you have given your challenges. Before you go on, perhaps you want to call some witness. Do you want to call any witness besides yourself to prove the alleged inaccuracies? Perhaps we will have to proceed on the assumption it is either correct or inaccurate.—A. No. If my records show that these dates are wrong, that is inaccurate.

Q. Well then Doctor, we will go on. I am going back to 1926. The record shows that you were absent first from the 2nd to 5th July, inclusive. Were you absent on official or private business?—A. May I make a statement, so that we would understand better. I cannot explain that, Mr. Ernst, because I do not remember. I kept no record. But let me make a statement. I would like the Chairman to hear this also—

The CHAIRMAN: I am listening.

The WITNESS: Because I think it is of importance.

The CHAIRMAN: You say something with which I disagree and see how quickly I take note of it.

By Mr. Chevrier:

Q. You were appointed when?

The CHAIRMAN: Excuse me. You were objecting a moment ago because somebody was interrupting him. Let him make a statement.

Mr. ERNST: Go ahead. I asked you first if you were absent?

The WITNESS: When I was appointed, or before I was appointed, I was asked if I would take the position, and I said that I—

By Mr. Ernst:

Q. Well now, if you are going to give conversation, you will have to give with whom you had the conversation.—A. No, but—

Q. Then, do not give it unless you can give with whom you had it.

By Mr. Bowman:

Q. What has it to do with this?—A. It has a good deal.

By Mr. Ernst:

Q. Tell with whom you had it?

Mr. CHEVRIER: Mr. Ernst, you are quite right; that is perfectly true. Doctor, if you say that you had a conversation, you would have to say with whom. Why do you not just go on and make your statement. I have no objection to it at all. Say, as a result of a conversation you had with somebody—

The WITNESS: Before I accepted the position, I had to consider whether I could come to Ottawa immediately, or whether I would have to live in Ottawa. I concluded—you will not let me say as a result of a conversation.

Mr. ERNST: We cannot stop you, if you feel you want to say it. Go ahead.

Mr. BOWMAN: Go ahead. You have lots of time.

The WITNESS: It would be natural for me to ask about it. I had to go as as soon as I could, and I was told that I had to live in Ottawa.

By Mr. Bowman:

Q. Who told you this?—A. Well, there you are.

Q. You have said that, and now you have to tell us who told you.—A. We will put it that the understanding was that I would have to live in Ottawa. That was natural enough—

Q. From whom did you get the understanding?—A. There, you are up against the same thing.

Mr. ERNST: Why mention those things, unless you want to tell all about them?—A. The other two commissioners were living in Ottawa.

Mr. ERNST: When he starts giving a conversation from which he understood then he has to give the person who gave him the understanding. You pointed out pretty clearly, Mr. Chevrier, he should not do that.

Mr. CHEVRIER: Are we interested in this? It has nothing to do with what is before us.

Mr. ERNST: Certainly. I do not care with whom he had the conversation. He should not mention it at all.

Mr. CHEVRIER: No; he does not know the rules of evidence. Let him do it in his own way.

The WITNESS: I was editor of a magazine, I could not just get up and get out. That is not my way of doing business, but I wanted to take the Commissionership. I would have to move to Ottawa. Now, I came to the conclusion that I would leave my family in Toronto, try to get premises here, and dispose of my premises in Toronto. At the same time, I helped to coach the new editor for the magazine for a short time, to get things straightened out there. It could not be done at once. It took about a month, we will say. I was unable to move my family down for various reasons, mostly because I could not dispose of my property, or could not get satisfactory property here. It was about a year and a half, and during that time I went home pretty nearly—probably every weekend.

By Mr. Ernst:

Q. For about a year and a half?—A. It was nearly a year and a half, or the year following. I was home nearly every week.

Q. Every weekend?—A. Nearly every weekend.

Q. So that the absence—I want to be fair to you, Doctor—from July, 1926, until probably the 31st of December, 1927, which we call the final absence as shown on your expense sheet, were they private absences in connection with your family, or official absences in connection with the business of the office—I do not care what the business was.—A. Well, you can put it, some might have been private, and some for the Commission.

Q. Well now, Doctor, did you do any business for the Commission for which you did not put in an expense account?—A. Yes, I frequently have.

Q. Why did you go on a trip for the Commission and not put in an account?—A. No, I do not mean that.

Q. That is what I meant.—A. Well, if I were in Toronto, if I were there or had gone there on one of those weekend trips you speak of, to see my family, I could make enquiry there—

Q. I did not ask you to give us that, I asked what you did?—A. Well I did that, yes.

Q. How often?—A. Not very often.

Q. Not very often?—A. No.

Q. Again I want to be fair to you. Taking your expense account for 1926, 1927—I suppose this expense account is for the fiscal year?—A. It is the fiscal year. That is what mixed me up here.

Q. 1926-27, fiscal year?—A. Yes.

Q. There were just three trips prior to the Commission— —A. I do not remember.

Q. Just three trips?—A. Probably.

Q. Montreal, Winnipeg, and Woodstock in 1927, Washington, Niagara Falls and a place not indicated in 1928.

Mr. CHEVRIER: Where does that occur?

Mr. ERNST: On the return filed with the Committee, Mr. Chevrier.

Mr. CHEVRIER: I have not got that.

Mr. ERNST: Yes; it was supplied to all of us.

The CHAIRMAN: The front of the paper.

Mr. ERNST: The return about which we complained that the Citizen had erred.

Mr. CHEVRIER: Yes, I have it.

By Mr. Ernst:

Q. Down to March 21, 1928, according to the expense account you were only absent on six occasions on official business.—A. In Toronto?

Q. No.—A. All absent—

Q. I am not interested in Toronto or Hong-Kong. I can only find six occasions from 1926, that would be from the 31st March, 1926, to the 31st March, 1928. There were only six occasions on which you were absent on official business from Ottawa.—A. If you take the expense account—

Q. Well, taking the expense account.—A. Yes.

Q. Well, I find if you take the return showing your obsence from your office, on in July, 1926, you were absent on five different occasions totalling 17 days. In August—I wish you would make a note of this, Mr. Chairman—five occasions in July, 1926, two in August, 1926. In September you were absent on five different occasions, totalling 18 days. In October you were absent on five different occasions, totalling 15 days. In November you were absent on four different occasions, totalling 7 days; in December you were absent on six different occasions, totalling 10 days; in January, 1927, you were absent on three different occasions, totalling 16 days.—A. May I suggest you just lump them?

Q. I want to know the number of occasions you were absent?—A. I do not remember at all, but you go ahead.

Q. Three different and distinct occasions,—A. Yes.

Q. In November you were absent on four different occasions, totalling 14 days.

Mr. CHEVRIER: Of course, the witness has said that he does not remember.

Mr. ERNST: Just a moment. What I am doing is putting them on the record.

Mr. BOWMAN: Give the witness a copy of this file, so that he may have a look at it.

Mr. ERNST: You are all following me to see that I am not misrepresenting what is in the file.

Mr. CHEVRIER: You are not misrepresenting what appears on the file.

Mr. ERNST: It is all part of the question, as you will see when I get through.

The CHAIRMAN: He is entitled to make a computation.

Mr. CHEVRIER: That is all important. I know, Mr. Ernst, you would be the last man to make an unfair computation.

By Mr. Ernst:

Q. In March, five different occasions, totalling 10 days; in April, five different occasions, totalling 9 days; May, four different occasions, totalling 17 days; June, five different occasions, totalling 15 days; July, five different occasions, totalling 12 days; August, three different occasions, totalling 16 days; September, two different occasions, totalling 26 days; October, four different occasions, totalling 16 days; November, three different occasions, totalling 5 days; December, two different occasions, totalling 3 days. I am going to take you out now, to the end of the fiscal year. January, 1928, three different occasions, totalling 5 days.

Mr. CHEVRIER: I have only three items in 1926 and 1927.

By Mr. Ernst:

Q. I am going down to the end of March, 1928; 1926-27; 1927-28, fiscal years, those are, Mr. Chevrier. Three different occasions in January, 1928, totalling 5 days; three different occasions in February, 1928, totalling 6 days; five different occasions in March, 1928, totalling 9 days. Now, will some one give me the total number of absences from the Commission offices? I have not got them.—A. My secretary handed me a statement which I have here, which might be different from yours. I have a total, according to this. I believe, reading from this—

Q. Your total number of absences until March, 1928, from the Commission offices was how many?—A. Are you asking me?

Q. Yes, do you know?—A. According to this statement, which my secretary handed me, 582.

Q. 582 what?—A. 582 days absent.

Mr. CHEVRIER: From what date?

The CHAIRMAN: That may be true.

Mr. ERNST: Since appointment.

The WITNESS: I have just a sheet before me.

By Mr. Chevrier:

Q. What is that?—A. My secretary handed me this a few moments ago as a compilation of this.

Mr. CHEVRIER: The witness says that his secretary handed him a statement which I now hold. Let us mark it "A", if you like.

Mr. ERNST: I think the secretary should be called.

Mr. CHEVRIER: What is in the statement?

Mr. ERNST: I am on something different, Mr. Chevrier. What I want is the total number of days on which Dr. MacTavish was absent from his office on those occasions.

Mr. BOWMAN: It was 84.

Mr. ERNST: From the time you were first appointed and took office until the 31st March, 1928, apparently you were absent on 84 different occasions.

The WITNESS: Yes.

Mr. CHEVRIER: That appears from this.

By Mr. Ernst:

Q. According to the statement that has been filed, assuming it to be accurate, not days, but occasions, you follow me, Doctor? Not days, but occasions.—A. According to this.

Q. I find on the expense sheet that you are charged for six occasions being out of Ottawa.—A. Six occasions?

Q. Six trips out of Ottawa during the same period. Take 1926-27, you were to Montreal, Winnipeg and Woodstock; 1927-28, Washington, Niagara Falls, and a place not indicated. Now, I want to know where you were on the other 78 times, and if on official business or otherwise. I do not want to know where you were, but were you on official business that you did not charge for?—A. I do not think—

Q. So I have shown that there are 84 occasions on which you were absent from duty at the office of the Commission, and on six such occasions I find a charge made for expenses.—A. With what period are you dealing?

Q. From July, 1926, to the 31st March, 1928.—A. Well, I do not know.

Q. How many of the 78 occasions can you account for as having been absent on official business?—A. I can account—I have a statement here over the whole period.

Q. What amount?—A. From my appointment to the 31st March, 1932.

Q. Showing what?—A. Accounting for my absence and such like.

Q. Well, start right in.—A. It is not—

Q. Start right in.—A. It is not in detail; I cannot give you that.

Q. What I want to know, and what I am asking you to tell me, is what you were doing on those occasions. You say you had to make frequent trips to Toronto in connection with your magazine.

Mr. CHEVRIER: Not only the magazine, his family was there.

By Mr. Ernst:

Q. Yes. I do not care for what the trips were made. It has no significance. What I want to know is, whether they were made on the business of the Civil Service Commission, or whether they were not. That is all.—A. These trips? We have to get it right. I do not know how you want the trips, all the trips from that time or for a single period.

Q. I am asking you from the date of your first taking office. You were in Ottawa until the 31st March, 1928, the first year and a half during which you said you had to make frequent trips on private business or domestic affairs, I do not care what it was. I find that during that period there were 84 distinct occasions on which you were absent from your office in the Commission building.—A. Yes.

Q. I find there are six occasions on which you charged expenses for having been out of Ottawa during the same period.—A. Yes.

Q. I want to know if on any of the 78 other absences you were on Commission business, and if so where?—A. Well, I would say—

Q. How many?—A. Practically the most of them would be visiting at my home, or when I was on those trips that we spoke of.

Q. In connection with the magazine?—A. The travelling expenses charged there, of course, I would not be home.

Q. Please leave the trips out. I am not including those six occasions, because those trips would be the ones when you were on official business. I am asking you as to the other 78 distinct absences. How many can you account for as having been on official business? That is all.—A. I cannot account for them in that way, Mr. Ernst. I do not remember.

Q. Can you give me any except those for which you have charged when you were on official business during that period?—A. Yes, I can give you some.

Q. Now, you know the period from July, 1926, to March 31st, 1928.—A. Yes.

Q. Well, give them to me.—A. Do you mean where I have not charged, or on official business?

Q. Where you have not charged when you were actually on official business, absent from the office.—A. Very frequently.

Q. We want a specific instance.—A. I cannot give you a specific instance.

Q. What is the good of telling me "very frequently"?—A. You want the date?

Q. I want to know if during that period you can give me any specific instance during one of those 78 unaccountable absences when you were on Commission business?—A. Yes.

Q. All right; go ahead.—A. I called to see Mr. Brebner, our supervisor in Toronto.

Q. When?—A. I did not charge—

Q. When?—A. During the period. I have no record of that.

Q. How often?—A. Only once.

Q. Once? Right. That leaves 77, go on.—A. I called—I am giving you only the cases that I recollect.

Q. I hope you will not give me any that you do not.—A. I cannot give you any that I do not recollect.

Q. I am just saying, I hope you will not.—A. The Collector of Customs at Toronto.

Q. What?—A. The Collector of Customs.

Q. You called on him?—A. At Toronto, several times.

Q. How often?—A. Well, I cannot tell you that.

Q. What Commission business did you have with him?—A. Asking him about—

Q. About what?—A. About his system of promotion.

Q. What is that?—A. I remember of one occasion where I had to consult him, or felt it advisable to see him as to the promotion, the precise case as I remember it was a surveyor. There was talk of a promotion for a surveyor and the department did not feel like promoting. Again, you see, you get me into material that I do not like to discuss,—

Q. My only point is, was it where it was unnecessary for you to make in your capacity as a Commissioner, a call. Did you make a call that was necessary? —A. No, it was not necessary, but I did it; I did make the call.

Q. You did not go for that purpose?—A. No.

Q. Can you give me any occasion apart from the six for which you have charged expenses when you left Ottawa on Commission business?—A. I did not get that remark, Mr. Ernst.

Q. You charged, during that period, for six different trips away from Ottawa. There were 84 occasions on which you were absent from your office in the Commission building, apart from those. Can you give me any occasion on which you actually left Ottawa, or left the office on official business and were absent, and on that occasion did you leave for that purpose?—A. If I left for that purpose?

Q. No. If you left, can you give me any occasion, if you did leave, amongst the 78, for that purpose?—A. I cannot remember any precise incident except one, such as I have spoken of. I have called to see frequently the Postmaster at Toronto, the assistant postmaster and various officials. Not when I was on official business, or when I was charging expenses.

Q. You did not go for that purpose?—A. No.

Q. You did not go for that purpose?—A. No.

Q. Then you were not absent on official business?—A. Well, put it that way, no.

Q. Right. Now, we will leave that. As I gather it, in 1928, up to March, 1928, you had definitely severed your connection with your magazine?—A. Yes, very shortly afterward.

Q. About what time?—A. Within a month or two.

Q. And had moved your family to Ottawa?—A. A year and a half after.

Q. A year and a half after you got the appointment?—A. Yes.

Q. Well, I have given you a year and nine months doing that?—A. That is generous; that is a little more than it was.

Q. Now we come down to 1928, and we will start with April. In April, 1928 I find you were absent on five different occasions from your office, totalling 11 days. In May, three different occasions, totalling 12 days. In June, five different occasions, totalling 11 days. In July, five different occasions, totalling 11 days. In August, four different occasions, totalling 7 days. In September, three different occasions, totalling 23 days. In October, five different occasions, totalling 13 days. In November, three different occasions, totalling 7 days. In December, four different occasions, totalling 6 days. And we will go on to the end of the fiscal year so as to have it complete. In January, 1929, five different occasions, totalling 5 days?—A. Why not take them all?—I do not remember them.

Q. I am only taking what the record shows when you were absent, which so far you have not disputed?—A. Pardon me, you say I have not disputed all the time? I say I am taking it that this is correct, if it is correct. I do not know whether it is or not.

Q. I am proceeding on that assumption, until you prove the contrary?—A. Well, I do not know.

Q. In March, on four different occasions, totalling 6 days,—I am taking another fiscal year, 1928-29, the total there is fifty-seven different occasions during that fiscal year of 1928-29, you are shown as being absent from your office at Ottawa?—A. According to that.

Mr. BOWMAN: You are wrong in that,—forty-six times.

Mr. ERNST: No, you have missed something.

Mr. BOWMAN: I have missed one month, yes.

By Mr. Ernst:

Q. Fifty-seven is correct,—I will take my chances on it; and I find that in the same period of the fiscal year your expense record shows you were absent, first, once at Toronto; then Niagara Falls; then Saint John, Digby and Yarmouth, etc.; then Saint John, Fredericton, etc.; Toronto; Toronto and Montreal; Windsor; Denver; and Toronto; making a total of nine different absences. Now, I want to know if you can give the Committee any explanation of why you were absent from your office in the Commission building on the other forty-eight occasions?—A. I cannot tell you, Mr. Ernst, because I do not know; I do not remember; but I may have been home. You must remember this,—I have not given this reason, I have been invested with discretionary powers; if I find it necessary for any reason to leave Ottawa, I feel that under those powers it is my privilege to do so.

Q. Who invested you with those powers?—A. The Governor General—Lord Byng at that time.

Q. Invested you with discretionary powers?—A. Yes, in giving me my commission.

Q. Have you that commission with you?—A. It is hanging in my office, that is my commission as Civil Service Commissioner; and the Act gives me that.

Q. The Act gives you the privilege, if you think you ought to go out on official business you can, does it?—A. Not because of that document, signed by the Governor General, that is my commission; but under the Act as a Commissioner I have discretionary powers.

Q. To go off duty, if you wish?—A. Oh, no.

Q. Surely the Act does not give you power to spend one-third of your time away from business?—A. If I go away every time I feel like it, perhaps I would not be there very much.

Q. Where do you get the authority to spend one-third of your time away from your office?—A. I do not think one-third is right.

Q. It is giving you a little more than you are entitled to—it is more than that, not allowing for statutory holidays, Christmas, Good Friday and Sundays thrown in. I want to know if you can give any explanation to this Committee why you should be away from your office one-third of the working days in the year?—A. I am going to give you an explanation.

Q. I would like to have it?—A. This morning, Commissioner Tremblay and Dr. Roche were granted—I do not recall it exactly but I think it was about 240 days that you worked it out.

Q. Two hundred and twenty, if you want it exactly, for Commissioner Tremblay, and 726 to you?—A. According to this document. According to my secretary, 582.

Q. Your secretary is quite incorrect in reckoning that. She has missed a year somewhere?—A. That is the record I have. Your record is much more. What number do you say?

Q. I say 726 days, according to my reckoning. As far as I can reckon, you have been in your present post five years and nine months, and you have spent roughly two years away from your office?—A. Practically six years.

Q. I want to know why?—A. You have given without question, granted you say that is all right, to Dr. Roche and Commissioner Tremblay—Commissioner Tremblay, 220 days you say; there was no question about that, and you asked nothing; the Committee was all agreed as to that. Now I had 174 days away while I was on Commission business and charged expenses. I have taken no holidays as holidays since I have been a Commissioner—

Q. Be careful about that?—A. I have not finished my statement. I am entitled to holidays if I wish to take them. Dr. Roche takes holidays; I do not know whether Commissioner Tremblay takes them or not. I am entitled, say, to a month's holidays; that is a fair amount.

Q. Yes.—A. I have not taken them as holidays. That is 180 days.

Q. No, no.—A. Giving me that it is six years. I can take them now, if I wished—I wish I could. I also added on all the days that I can put down, 26 days last month up to the 31st of the month, for illness. That is added to my absences.

Q. Yes, I was coming to that in due course. Go on.—A. That makes a total of 620.

Q. What does?—A. These days that I have spoken of.

Q. 174, 180 and 26?—A. And 240 you granted to Dr. Roche.

Q. No, we have not done anything of the kind. And you are adding 240 to it. But, do you not see, Dr. MacTavish, that taking illness and vacations and everything else, all that Mr. Tremblay was away was 220 days?—A. But I have not taken any, except this present time for illness.

Q. Where do you get the system of adding 220 days?—A. Why, this Committee gave it this morning without question.

Q. Please do not make yourself ridiculous. Out of 220 days—Commissioner Tremblay was absent 220 days out of six years. If you add that up you will find it was about 37 days a year, total?—A. Yes.

Q. And if you take yourself, you will find you were absent at total of 120 days a year. What I want you to explain is the difference?—A. That is according to your computation and according to this document.

Q. According to the records of your own Commission?—A. I am telling you —I am not disputing it, but I have 582.

Q. There may be a year left out, but we can easily check that?—A. My computation makes a total of 620 days which I account for.

Q. Go back and account for the 620 days?—A. This Committee granted 220 days to Mr. Tremblay—

Q. Oh, Doctor, you know, you are so absurd that you are positively annoying. If you have such a childlike simplicity, I cannot understand your trying to rule the Commission.—A. I do not call that childlike. Why are they not questioned on their absences?

Q. Will you please mind your own affairs and explain yourself, Doctor? We will deal with them when the time comes?—A. I have offered that statement, and you do not accept it.

Q. Leave the 220 or 240 days out of the picture, and how many of your 726 days can you account for by being away on official business?—A. I have accounted for 120 by holidays I might have taken but did not take—

By Mr. Bowman:

Q. The point is that you say you did not take them?—A. I said I did not take them but that I might. I take holidays piecemeal; I do not take them straight.

By Mr. Ernst:

Q. What in the world were you doing, for instance, Doctor, in 1928, from the 31st August to the 18th September absent from your office, if you were not taking holidays?—A. I did not question that. What date is that, until I see if I was away.

Q. If you look in 1928, you were absent from your office from the 31st August to September 18. What were you doing then, if you were not taking holidays?

Mr. Bowman: Mr. MacInnis, have you the pay sheets for that period?

The Chairman: I have just got them this minute.

By Mr. Ernst:

Q. From the 31st August you were absent from your office until the 18th September. What were you doing if you were not taking holidays?—A. I did not say I did not take any, but I did not take any holidays as such.

Q. Then what were you doing?—A. I was not playing golf, anyway, Mr. Ernst.

Q. I did not suggest you were, but you might have been better employed? —A. What was the date again, please?

Q. From the 31st August, 1928, until the 18th September.—A. There is nothing here to show.

Mr. MacInnis: Is there not something from the end of August until September?

By Mr. Chevrier:

Q. From the 1st September until, I think the 18th September, 1928, you are charged in this statement from the Commission office as having been absent from the 1st until the 18th September, 1928.

Mr. MacInnis: Get your secretary to help you with the files, Doctor.

The Witness: Oh, I find I was at a convention in Chicago in 1928; from September 1 to 18—according to this I was in Chicago at a convention for at least a good part of that time.

By Mr. Ernst:

Q. Was that part of your duties as a Civil Service Commissioner in Canada?—A. Yes, that was a decision of the Board—not my decision entirely.

Q. You were there from the 1st to the 10th, according to your expense sheet?—A. According to this statement I was absent from the 1st to the 18th.

By Mr. Chevrier:

Q. Were you absent from the 1st to the 18th on official business at the convention?—A. I was not in Chicago all that time, no, not on official business all that time.

By Mr. MacInnis:

Q. How long were you in Chicago at the convention?—A. For the ten days or whatever the expense sheet shows.

Q. Have you the expense sheet before you?—A. Yes, it is here.

Q. What does it say?—A. This shows Denver on that date, September 1st, —that was the convention at Denver.

By Mr. Ernst:

Q. It was not at Chicago after all?—A. There was one at Chicago later. This one was at Denver, and it shows 11 days.

Q. And what about the other 7—were they holidays or were they not?—A. As I said, Mr. Ernst, I have discretionary powers as a Commissioner; but I cannot tell you what I did in those days.

Q. Surely you do not mean to sit here, Dr. MacTavish, and tell this Committee that you had discretionary powers to run away and leave your office any time you desired?—A. You understand, my work is done there quite in order with the other Commissioners.

Q. You will agree, then, that there is not enough work for the three Commissioners to do?—A. No, I do not agree with that.

Q. If you can be away one-third of your time and still do your work, you have not enough to do, have you?—A. I do not agree at all I was away one-third of my time.

Q. On official business—I am only concerned with whether you were spending it on official business or not?—A. You take your statement as correct at 726 days; my secretary's computation of it is 582 days. Even with your addition—I have to say that I do not know whether that is correct or not, you see.

Q. Well, how many days can you account for then by taking your full leave and by official business?—A. I think I have made that statement to you.

Q. I would like you to give it again?—A. I made it, with the 240, the 174 official business and 180 holidays—

Q. And 26 days for illness?—A. This illness. I have been ill on other occasions, but I have not taken that into consideration at all.

Q. I find that you are accounting for 380 days, according to your reckoning. Now what about the other 346 days?—A. I said in the beginning you have got to take into allowance my family being at Toronto,—that was one thing,—

Q. But,——A. You are asking me to give you a reason, and you will not let me continue. Part of my family is still in Toronto, and I go up as frequently as I can, as I feel I have it in my discretion to go.

Q. I am not concerned with why you go anywhere, unless it is on official business. I am asking you how many of these absences do you account for on official business?—A. I do not account for it in that way. I do not consider I can be as good a Commissioner by sitting in my office and not moving about, as I can if I go about. That is one reason.

Q. Do you mean go about on official business?—A. You can call it official business or contact with people. I take that as a reason.

Q. That is your explanation as to the absences above the statutory time, and business appointments?—A. Well, I can take it that way.

Q. You talk about your family, and I understand your absence ran for a year?—A. Part of my family is still there.

Q. And you consider that you are quite entitled, when you feel like picking up your bag and going?—A. They were mostly all week-ends, Mr. Ernst.

Q. You can hardly work that out, Dr. MacTavish—

By Mr. Bowman:

Q. You say to get around and get into contact with people you consider is part of your business?—A. Yes.

By Mr. Ernst:

Q. I will check up and see whether your figures are correct as to the 583 or 726?—A. I do not think, on the principle of it, that it makes much difference, Mr. Ernst.

Q. Your brother Commissioners only found it necessary during the five years and nine months to be absent 220 days, and you were absent 726 days, and I ask you if you can account for it, and you cannot?—A. Oh, yes, I can, but not to your satisfaction.

Q. I am asking you if you can give me any better explanation than you have given?—A. I cannot give you any better one.

By Mr. Bowman:

Q. I had Miss Saunders prepare, during the intermission, a statement of the Sundays which were included in the particulars which were filed of Dr. MacTavish's absences, and I would ask Miss Saunders if she would certify as to the correctness of the statement which I have in my hand.

Miss SAUNDERS: I have checked it with the calendar for all the years, and when it is Saturday and Monday it shows the two days separately; but when it is from the 10th to the 14th inclusive, it would include Sundays. I have taken out all the Sundays.

The CHAIRMAN: So that the Sundays shown in here should be deducted from the list of absences, where the Sundays occur in the inclusive dates.

Mr. ERNST: You see, Mr. Chairman, I am comparing it with the 365 days a year, instead of with 300, which would make a very great difference against Dr. MacTavish.

Mr. BOWMAN: And taking off the Sundays and figuring it on the yearly basis of 311 days, we need not add anything, for the Committee can figure it out for themselves.

Mr. ERNST: The proportion of working days, in other words, is far more than one-third.

The CHAIRMAN: Will the Clerk file and put into the record this statement? (See Appendix "L".)

By Mr. MacInnis:

Q. I want to ask Dr. MacTavish a few questions. There are quite a number of accounts or travelling expense sheets that do not say on what business you were. Can you remember what the business was in connection with any of these?—A. I may be able to, Mr. MacInnis. You will notice as you go on, we were required later on, a year or two after I became Commissioner, to give in more detail, by the department of Finance, in making our statements.

Q. There are two sheets here on a trip to Washington. Do you remember what official business you were on at that time, in 1927?—A. I was there to get information as to the American plan of civil service. That was agreed, that I should make that trip. I did not just run off to Washington. That was to improve my own information as a Commissioner.

Q. When Civil Service Commissioners go around on government business they are paid a certain amount of money for travelling expenses. What is that supposed to cover?—A. You are allowed $15 a day. Probably I have a statement here from the contingencies—no, it does not deal with that. The government allows $15 a day for anybody of deputy standing; his travelling expenses, his taxis and tips—I do not remember, other little details like that, but those have been recognized as what you might call legal charges. They are reduced now to $10 a day. They were $15 until the 31st March.

Q. Does it specifically specify that any tips you pay are extra besides this allowance?—A. They were allowed by the Auditor General and by practice.

Q. I was speaking from my own experience. I get expenses coming to Ottawa and going west again, but I never considered that I could charge my tips on the way, and consequently, possibly the porters have suffered considerably. You have here,—

Mr. ERNST: Was it because of that, or was it because, like Dr. MacTavish, you are Scotch?

The WITNESS: I did not tip any more for the government than I did for myself personally.

By Mr. MacInnis:

Q. There are here your expenses to Washington, 17 days at $15, $105. Your transportation would not cover you over the American roads?—A. No.

Q. That is $50. Pullman, $48; tips for 17 days, $17; and your taxi fares, $25. Now, does not your $15 per day cover your railway charges, that is your berth when travelling on a Canadian road?—A. No.

Q. Why not?—A. That is fixed by the government, Mr. MacInnis, not by me.

Q. It is no more expensive when you are travelling on a train, particularly, than when you are staying at a hotel?—A. Very often it is cheaper.

Q. You can do it for $15. a day?—A. I think, Mr. MacInnis, that was intended to fix a sum that would cover expenses that generally would not be itemized in accounts. At any rate it was fixed by the government.

Q. It would fix everything that you could not very well get a receipt for?—A. I do not know what the reason was, but at any rate it was fixed and allowed before I ever came here to the service.

Q. Any expense account that you would get a receipt for would be over and above your ordinary traveling expenses, I think?—A. If I exceed, and one frequently does, what is allowed, I could not charge for it and never attempted to. It has to pass the Auditor General.

Q. In April, 1929, you had a trip to Port Hope, Ontario. Can you tell us what that was about?—A. Not unless it is itemized. What was the date?

Q. April, 1929.—A. Does it not say there Customs, or something? I think there was a caretaker or a Customs position—if it is not there, I do not happen to recall that.

Q. You have an expense account for November, 1929, in connection with a convention of the Canadian Legion at Regina. Was that on official business?—A. I have attended it every year. We like to be represented at the Legion meetings. I rather think they expect us to be. I have been at all the Legion conventions—I think I have not missed any since I became a Commissioner, and I have spoken at several of them—probably at all.

Q. Were you sent there as an official representative by the Commission?—A. Oh, yes.

Q. There would be a Minute on the Commission's Minutes showing that, would there not?—A. I do not know.

Q. Usually all their official business is on the Minutes?—A. Not all; there might be; I do not think it would be on every occasion; it would become some-

thing of a matter of course, something like the conventions of the Civil Service Commissions of the United States and Canada. Several of us have gone to those conventions. I have been the only one at the Legion conventions except when our Chief Examiner went to one of them.

Q. And you have a trip to Toronto and Windsor on March 8, 1930. Do you remember what that was for?—A. I cannot tell you precisely, it possibly had to do with the changes that they made in the customs and such like owing to the new bridge.

Q. You do not know what it was for?—A. I say that is possible. I have been a number of times at Windsor.

Q. "Possible" is not very enlightening. You do not know what it was for?—A. I cannot tell you right off the reel what it was, but I was there on official business,—I know that; and I went through how our customs and excise men handled their duties there. That was part of my duties at that time.

Q. On October 28, 1930, you went to Toronto, and from Toronto to Chicago. Do you know on what official business that was?—A. Yes, that was the convention of the Civil Service Commissioners of the United States and Canada. That was the one that I got mixed a moment ago with Denver. There were several. That was what it was in that case.

Mr. MacInnis: I do not think there is anything else.

By the Chairman:

Q. Is there anything else you want to add, Dr. MacTavish?—A. I do not think there is now. Will I have a chance again?

Q. Oh, yes, all we have been dealing with to-day has been absences and the incidental expense accounts.—A. You will recall my calling attention yesterday or the day before that the several cases that were brought up were all cases in which Dr. Roche had dissented. You said I would have a chance to present some other cases in which either myself or Commissioner Tremblay had dissented. These are but a few, and I will do whichever you wish, read them into the minutes or I have a copy here which every member of the Committee might have.

Q. I think it would be better, Dr. MacTavish, when we have cleaned up all this other evidence and we ask the Commissioners if they have any other statements, that you put them in then. I would suggest that you have somebody bring the files here with which you are going to deal?—A. I thought if I would give the members of the Committee a list, if they wanted anything we could bring them. I personally do not want them. I am not particular about them. I can give to each member a list privately, not as a public document. I would give to the Clerk a copy to be handed to each one of you.

Q. The idea, Dr. MacTavish, is that at a future date you wish to put on record these dissenting cases?—A. Oh, no, I think you misconstrue me. I just wish the members of the Committee to have a copy of that list so that if any member of the Committee wishes to call for a file to see what it is about, very good. If he does not, all right.

By Mr. Chevrier:

Q. These were cases in which you were dissenting?—A. These are cases in which I have dissented. I do not know whether Commissioner Tremblay agreed with me or not.

By Mr. Laurin:

Q. These are cases in which you dissented?—A. Yes.

By Mr. Vallance:

Q. This is merely a suggestion from you?—A. Yes. That is a list which might interest you as a Committee.

The CHAIRMAN: All right, Doctor, I will have a look at that, if I may. Is there anything else from Dr. MacTavish at this time?

Mr. CHEVRIER: Not at this time.

The CHAIRMAN: Just to complete the record, I have the attendance book of the Civil Service Commission, of August 20, 1928, and it bears in the margin thereof "Present: Dr. Roche, Dr. MacTavish and Commissioner Tremblay," confirming the record of absences or presences alternatively filed by the Commission. I also have here the attendance book for the date of August 21, 1928, the succeeding day, and there is noted in the margin, in red ink: "Present, Dr. Roche, Dr. MacTavish and Commissioner Tremblay."

I then have here the original Minutes of the Commission for Monday, August 20, 1928, which bears at the head of it, "present, Commissioners Roche, MacTavish and Tremblay, the Chairman presiding." Among the other matter contained in the Minutes, I find that there was a discussion of the Commissioners dealing with the question of examinations and a decision arrived at with which, according to the recorded minutes, Dr. MacTavish dissented.

I also have the original minutes of the Commission, Tuesday, August 21st, 1928, which bears on the head of it, "attendance, present: Commissioners Roche, MacTavish and Tremblay. The Chairman presided." Again those Minutes confirm the record filed by the officials of the Commission. Thank you, Dr. MacTavish.

Dr. MACTAVISH: Pardon me, Mr. Chairman. I have asked that my secretary be examined.

The CHAIRMAN: I am going to call her now.

Dr. MACTAVISH: I thought you were adjourning.

Miss JENNIE OTTER called and sworn.

By the Chairman:

Q. What is your first name Miss Otter?—A. Jennie.

Q. What is your official position in the Commission?—A. Well, the classification of my position is secretary to executive. That is the official classification of my position.

Q. For how long have you been in that position?—A. Well I have been with the Civil Service Commission since May 1st, 1918.

Q. How long have you been acting as secretary to Dr. MacTavish?—A. Since his appointment.

The CHAIRMAN: Now, Dr. MacTavish, would you like to question Miss Otter, or do you desire that I should go on?

Mr. ERNST: It would be best to tell what you want; just what you want to prove through your secretary.

The WITNESS: Dr. MacTavish might want me to make a statement, perhaps, with regard to the Minutes.

Dr. MACTAVISH: I should like Miss Otter asked as to the—

Mr. ERNST: Go ahead, ask her yourself.

By Dr. MacTavish:

Q. Miss Otter, what has been your experience as to the keeping of the record as to the attendance of Commissioners.—A. Well, Dr. MacTavish, this is the first, as I say, this is the first knowledge I have ever had of a direct record being kept of attendance of the Commissioners. As I say, I was never aware that Commissioners were treated on the same basis as the regular civil servants. I thought in their regular capacities as deputy ministers, that they were not recorded in the attendance book as actually in attendance.

Q. Did you ever know of any record ever being kept of the attendance of the— —A. No; no special record—I was never aware of that.

Q. Has one ever been kept—you were secretary to Commissioner Jamieson before I came.—A. Yes.

Q. Was a record kept then?—A. Not that I am aware of. As I say, I did not know that any special record was ever kept. I was not aware of that, because the question of the attendance of commissioners in the 14 years I have been in the Civil Service has never been questioned, never to my knowledge.

Q. Well, you knew that in the hall of the Hunter Building a book was kept with a record— —A. Yes, of attendance, yes.

Mr. BOWMAN: Pardon me, Doctor, I did not just hear your question.

Dr. MACTAVISH: I asked if she knew that in the hall of the Hunter building, that is, on the 6th floor, I should add, a book was kept with the record of attendances.

Mr. BOWMAN: Her answer was yes.

By Dr. MacTavish:

Q. Yes. Who would sign that book?—A. Well—

Q. Without enumerating them all.

Mr. ERNST: I do not want to interrupt you Doctor, but does that get us anywhere. We had evidence the Commissioners did not sign it. It was not contended you signed.

Dr. MACTAVISH: I am quite aware of that. This will not take long. It will only take a minute.

By Dr. MacTavish:

Q. Who signed that book?—A. Well—

Mr. CHEVRIER: Do not give any names if you do not like.

The WITNESS: I do not want to give names, but I thought you referred to ranks. There are certain ranks there registering attendance.

Q. Would the chiefs of branches sign it?—A. Well, I am not aware of that. You would have to ask Miss Saunders. She keeps the attendance book.

Q. I want it as to your knowledge.—A. Well, of that I am not aware.

Mr. ERNST: That gets us nowhere. Why ask her something she does not know?

The CHAIRMAN: The lady is telling things she does not know. If she knows, let us have it.

The WITNESS: No, Commissioners have never signed it.

Mr. ERNST: You were in blissful ignorance.

The WITNESS: It was not part of my duties, nor in my capacity as secretary to executive to wonder who had signed the book, or who had not. I did not see why I should question that. I was not in a position to see who signed that. Miss Saunders is the one who could say who signed the book and who was exempt from attendance and who was not.

By Dr. MacTavish:

Q. Well then, in regard to those Minutes. I do not suppose you have heard all of the evidence that has been given. Is this an accurate record of the attendance or absences on the part of the Commissioners according to the Minutes? Would you explain that, if you can explain how it would be arrived at from the Minutes, and whether it would be an accurate record or whether it might vary, and how it might vary?—A. Well, that is rather a full question to answer? Might I make a statement?

The CHAIRMAN: Yes, go ahead.

The WITNESS: What I want to say, in fairness to Dr. MacTavish, that it was not my interpretation of the Minutes when he came. On becoming a Commissioner, I handed Dr. MacTavish the Minutes, and I said, "These are a record of the action of the Commission from day to day." I did not say, "Dr. MacTavish, it is a record of your attendance," because I did not interpret it as such. I never have interpreted it as such. With Commissioner Jamieson, in the eight years I was with him, I had never interpreted it as such when he was absent on such a day, and present on such and such a day. That question never arose. It was not my understanding. I had never occasion to say, "Dr. MacTavish, this is a record of your attendance." I have said "This is a record of the action of the Commission." What I want to explain is, you might take Minutes of to-day, and they might show Dr. MacTavish as absent, but at the same time in to-day's Minutes there would be files with which he had already dealt, which he had already signed. Do you understand what I mean?

The CHAIRMAN: Yes.

The WITNESS: Well, then, it is rather difficult to explain, you see. The fact that he is not present does not indicate that he is not taking action on certain files that are entered in the Minutes for that day.

The CHAIRMAN: No; there is no suggestion of that.

By Mr. Ernst:

Q. The whole question with us is, would his name appear on the head of the Minutes as being present, if he were not present?—A. Well, of course—

Q. Or of not being present when he was?—A. I do not follow those Minutes. I have not any authority to speak on the minutes.

By the Chairman:

Q. May I ask you this: Dr. MacTavish told us this morning that he seldom looked at those Minutes. As a matter of fact, he said you would bring them to him, and if there were anything in the Minutes which you thought should be called to his attention, you would do so?—A. Yes.

Q. Therefore, I would judge for a considerable number of years, and not only since the day of Dr. MacTavish's appointment, but prior thereto, you have been looking at the Minutes of the Civil Service Commission?—A. Yes.

Q. In all that period of years have you noticed that at the very beginning of all Minutes, it starts out with these words: "present, Commissioners," and then sets out who were present.—A. Yes.

Q. You have noticed that?—A. Yes.

Q. If the Minutes which came to you for attention, and which apparently you examined in order to call it to the attention of Commissioner MacTavish, contained an entry under that heading, of present, Commissioner MacTavish and Commissioner Tremblay, and you knew that Commissioner MacTavish was away on that day, would you, among the other things, in the minutes which you would call to Commissioner MacTavish's attention, also call his attention to the fact that he was recorded as being present when he was not?—A. No; I have never questioned the attendance. I have never taken that question up.

Q. You have never taken that up?—A. No.

Q. If a Minute did not show on the head of it Dr. MacTavish's name under the caption of present, thereby indicating that he was not present, would you call it to his attention if you knew he was present on that occasion?—A. I would if I knew, yes.

Q. Well now then, you would know every day that he was absent or present, would you? You must come in contact with him daily?—A. Yes.

Q. So that if Dr. MacTavish were absent from his office to-day, knowing that you would receive the Minutes of to-day's business to-morrow, would you not?—A. Not necessarily, usually one day and sometimes two days after.

Q. But in the ordinary course you would receive it to-morrow. If the Minutes showed that Dr. MacTavish was away, and not recorded as present to-day, when you knew he was present, would you call it to his attention?—A. Will you repeat that question?

Q. Let me put it a little differently. Was Dr. MacTavish at his office of the Commission to-day?—A. No.

Q. I am trying to take a recent date. Have you been there recently, Doctor, since you have had this trouble with your arm?

Dr. MacTavish: I was there to-day.

The Witness: I am sorry, Dr. MacTavish was in his office for a short time yesterday.

By the Chairman:

Q. Let me take a concrete illustration. Dr. MacTavish was there yesterday?—A. Yes.

Q. The Minutes of yesterday's meeting probably came to you to-day—I do not mean meeting, but Minutes of the transactions—probably came to you to-day to have them signed by Dr. MacTavish.—A. No, they do not come to have them signed. You are wrong. They do not come in that way. The only thing that comes in to me is a copy of the Minutes, and Dr. MacTavish does not sign those Minutes from day to day. They are signed by the Chairman of the board, signed by the full board.

Q. When a copy comes to you, if that copy showed Dr. MacTavish was not recorded as being present yesterday, would you call it to his attention?—A. You are not referring to yesterday; you are not taking yesterday?

By Mr. Chevrier:

Q. As an example.—A. Yes, but my point is this, that when I present Minutes to Dr. MacTavish, I have never said, Dr. MacTavish: this is a record of your attendance—I always said, "This is the action of the Commission for such a date." I have not said, "Dr. MacTavish, you were absent on such a day." I have never explained that question at all.

Q. Dr. MacTavish tells us you call to his attention any matters in the Minutes?—A. Yes.

Q. Which were exceptional, or with which he must disagree?—A. Yes.

Q. Now, would you call it to his attention by saying to him, when you handed him a copy of the Minutes, "I do not think those Minutes record your view" or do you write it out in pencil, or what do you do?—A. I do not know just what you mean.

Q. Let us see. Dr. MacTavish told us to-day that he seldom read over the Minutes.—A. Yes.

Q. He tells us they came to you and that you read them?—A. Yes.

Q. And that if there was anything in connection with those Minutes with which you did not agree, you called it to his attention. Is that correct?—A. Yes.

Q. All right. Then, how do you call it to his attention. Do you go in his office and tell him about it, or simply take a copy of the Minutes and put a question mark opposite something you disagree with in red pencil, or what happens?—A. Not necessarily red pencil, no. I would not immediately go in; perhaps I would not for probably—I would probably go in the following day and say, "Dr. MacTavish, I want to know if this is your position as indicated in the Minutes"?

Q. You would go in on some day?—A. Yes, and say, "This is your position as indicated in the Minutes."

Q. Is that correct?—A. Yes.

Q. That is what you would say to him?—A. Yes.

Q. Would you call it to his attention verbally?—A. Yes.

By Mr. Chevrier:

Q. Is there anything, from the time that Mr. Jamieson was appointed, or that you were appointed as his secretary, that you remember in regard to calling his attention to some inaccuracies in the Minutes. What I mean is, did you at any time call to his attention the fact that the Minutes, though a Commissioner was present, did not record it exactly in reference to his presence. Did you ever call Dr. MacTavish's attention to the fact that he was recorded as being present when he was not present, or that he was shown not present when he was present?—A. No.

Q. You cannot recall anything?—A. No, I cannot recall.

Q. In other words, if I can get it, you were there more or less for the purpose of bringing to his attention— —A. Yes.

Q. —the action of the Commission.—A. The action.

Q. The action, but not the fact that he was absent.—A. No, that was a question that had nothing at all to do with it. I do not think that was in my capacity. If it is, I am not even aware of it.

Mr. ERNST: Just what I expected.

By the Chairman:

Q. But in a case such as August 20, 1928, were the copy of the Minutes given to you setting out the decision of the Commissioners with respect to examinations and then stating Dr. MacTavish dissenting, and if so, is that the sort of thing you would call to his attention?—A. Well, not necessarily, I say for this reason, as I see the files that come in to Dr. MacTavish, and I also see them before it is charged out. Therefore, I have a very good knowledge of his action *re* the file. I have already stated if he had dissented I would not need to question that.

Q. So you use a combination of your own knowledge and what Dr. MacTavish tells you, with which to approve of the copy of Minutes which comes to your office.—A. Yes.

Q. That is all.

By Dr. MacTavish:

Q. I would like to have Miss Otter give a statement. She has had considerable experience in a secretarial capacity, and otherwise. She was for some years, as she has said, secretary to Commissioner Jamieson, my predecessor. I would just like Miss Otter to say something about my attendance as a Commissioner, and what I have done, and how I actually handle my work as a Commissioner.

Mr. ERNST: Dr. MacTavish, I think that is my document.

The WITNESS: I would like to check it over.

Mr. ERNST: Yes.

The WITNESS: I would like to check it over, please.

The CHAIRMAN: Dr. MacTavish, I do not want to object, but we do not want to hear anything that is not germane to the matter at issue. You are suggesting now that the young lady tell us something that does not really help or hinder the situation one way or the other

Dr. MacTavish: Pardon me, Mr. Chairman, I have been charged, of course—

Mr. Ernst: You have not been charged with anything.

Dr. MacTavish: I use the word "charged." I have been cross-examined as to my absences and such like. I would be interested to hear Miss Otter say as to whether I have worked overtime, and if I were going away, whether I have properly done my work, and whether I have done it after hours or not, and whether I have stayed at the office after she goes out at half-past five, or a quarter to six.

Mr. Chevrier: I think that is all right as to the time after hours, but you would not want us to hear Miss Otter's appreciation of your work. I have no objection to it. She may work late, and come back after hours. Just what do you want her to tell us?

Dr. MacTavish: A statement as to what I do.

Mr. Ernst: What you want to get in evidence is that you apparently work overtime.

The Witness: I think what Dr. MacTavish has in mind is this: I think perhaps he means that I should be in a position to know whether he neglected his duty. Now, I may be wrong on that. Is that what you mean, Dr. MacTavish?

Dr. MacTavish: Partly.

Mr. Ernst: But I do not think you should give that evidence. That is something for us, not for you, Miss Otter.

Dr. MacTavish: You see I refrained from saying that I do work very frequently after hours and at night.

Mr. Ernst: Say it, and we will accept it.

Mr. Chevrier: That is all right. You want a personal appreciation, and I do not think we should have that.

Dr. MacTavish: I would like Miss Otter to make that statement as to my working overtime.

By the Chairman:

Q. Miss Otter, let me see if I cannot get it. You cannot give us your opinion, but you can give us facts. What hours do you usually work?—A. Well, in the capacity of secretary one has no definite hours.

Q. I beg your pardon?—A. My understanding is, in the capacity of secretary, I have no definite hours.

Q. You frequently work after 5.30?—A. Yes, I do.

Q. Has Dr. MacTavish frequently worked after 5?

Mr. MacInnis: I object to the question, Mr. Chairman. We do not want to know what Dr. MacTavish did after hours or under extraordinary conditions. We want to know on what days he was present, and on what days he was absent. If he wishes to be absent to-day and work to-night, that is no concern of ours.

The Chairman: I suppose it is rather anomalous for a Chairman to rule his own question in order, but I see no objection to the question.

Mr. Vallance: Mr. Chairman, may I ask you a question? Now, following up that question of yours, does the Act outline that the Commissioners must work in certain number of hours?

Mr. Ernst: Of course not. You will have to draw up union rules, Mr. MacInnis.

[Miss Jennie Otter.]

By the Chairman:

Q. Miss Otter, from your observation, has Dr. MacTavish frequently worked after five o'clock when he is at the commission offices?—A. Well, I can say that I have frequently left Dr. MacTavish there when I have left at 6 o'clock and 6.30.

The CHAIRMAN: Does that cover what you want, Doctor?

Dr. MACTAVISH: One question.

Mr. BOWMAN: I think Mr. MacInnis was quite right, that we give Dr. MacTavish the benefit of the doubt.

By Mr. MacInnis:

Q. Do you know how long he stayed in the office after six o'clock?—A. Well, I should think that I did.

The CHAIRMAN: It is obvious she could not; she left at six o'clock.

The WITNESS: I would know for this reason, because I could leave things, leave 50 files with Dr. MacTavish at night, and in the following morning I would go in and the files were all signed, and he could not do that in three quarters of an hour.

By Mr. Ernst:

Q. Might it not depend on whether he read them or not?—A. Oh, yes, but he does not usually sign without reading them.

Q. When you were there, that is all you can swear.

Mr. BOWMAN: You, very naturally, due to your position with Dr. MacTavish, cannot do anything else but say what was in his favour, and consequently it is—

The WITNESS: Do you not think that is rather an unfair statement?

Mr. BOWMAN: —A reason why you should not be asked those questions.

Mr. CHEVRIER: That is better.

Mr. ERNST: It does not help Dr. MacTavish.

The CHAIRMAN: In answer to Mr. Bowman, I would say that goes to the credibility of the evidence given by the witness, not to the relativity or admissibility of the questions and answers. I rule it is admissible.

Mr. ERNST: I appeal from the Chairman's ruling.

Dr. MACTAVISH: If I might take from what Mr. Ernst said that it would not help me any—I am beyond help—

Mr. ERNST: No, I do not mean it that way.

Dr. MACTAVISH: That was a facetious remark, Mr. Ernst, and I hope your—I had hoped that someone would ask Miss Otter's opinion on the report, as to its accuracy.

Mr. BOWMAN: She has already sworn she knows nothing about it.

The CHAIRMAN: Her opinion is not admissible, but if Miss Otter can give us any facts which would enable us to conclude as to whether the report is accurate or inaccurate, we would be very glad to hear them.

Dr. MACTAVISH: Or whether it could not be.

Mr. ERNST: Whether it is.

The WITNESS: Pardon me. I wonder if I could make a statement? In listening to Dr. MacTavish's evidence, I was under the impression that he seemed to be confused in points in which dates were concerned, as I understood them. Miss Saunders, I think, gave evidence about that. There are certain times when subjects are included. I do not think he was aware of that.

The CHAIRMAN: We have since, Miss Otter, had the file giving us all the subjects.

The WITNESS: There is one other thing. I do not think Dr. MacTavish—he does not remember this—

Mr. BOWMAN: Just a moment. How do you know Dr. MacTavish did not understand?

The WITNESS: Well, from hearing his evidence this afternoon.

Mr. BOWMAN: You had better let Dr. MacTavish give his own evidence.

By Mr. Chevrier:

Q. Miss Otter, I think that the doctor produced a paper that I was going to mark "A" for the benefit of the committee, which he said came from you, and showed 582 days.—A. Yes. I would like to explain that. Dr. MacTavish handed that to me this afternoon after two o'clock, and he went out hurriedly. I did not know in reading it, that Dr. MacTavish had computed it, but obviously he did not compute it as exactly as it should be; so I took his pencilled figures—I did not have time to explain it to him—I just took his pencilled figures, because I was not sure that it was intended to be inclusive, and the result was it would make a difference, and that is why I—

Mr. ERNST: I have given Miss Otter my computation and I thought the correct total was 728, not 726. I had an error of 2 in favour of Dr. MacTavish.

By Mr. Bowman:

Q. Did you prepare this statement—the statement that Dr. MacTavish had here which showed 500 odd days?—A. That was just his penciled figures that I took and added up.

Q. His figures, not yours?—A. Not mine.

Q. You do not know where he got his figures?—A. He just would make his own computation—he put his pencilled figure—

Q. He took our statement?—A. Yes.

Q. And figured from that?—A. Yes. It was not inclusive. That was where his error was.

Dr. MACTAVISH: May I say one thing? I would like to ask Miss Otter a question. Would it be possible, or at all likely, that that statement with this "attendance: present: Commissioners" at the top—I think that is what it says—might a Commissioner be present and not have signed any minutes that day, and, according to those minutes, be put down as absent, or present when he might be absent? It is a point to which—

The CHAIRMAN: I am trying to give you all the latitude I can, you being a layman, but what might or might not be is not the least bit germane to this inquiry. Has not the young lady told us that she has no recollection of ever having called your attention; that with regard to absence or presence as recorded in this sheet she paid so little attention to it that she never called them to your attention?

The WITNESS: I never said I paid so little attention to it. I said it was not a part of my duties.

The CHAIRMAN: All right. I do not care. The result is the same. Can you possibly, Dr. MacTavish, put yourself in a stronger position than that?

Dr. MACTAVISH: I want to put myself in as strong a position as possible.

The CHAIRMAN: I think that is as strong a position as you can possibly get from this evidence. I asked those questions deliberately to get as much down as possible.

Dr. MACTAVISH: I confess, as I said this morning, that I do not understand that method of keeping tab on Commissioners.

[Miss Jennie Otter.]

Miss Saunders, recalled.

By the Chairman:

Q. For how many years have you been keeping these attendance books? —A. Since 1908.

Q. Has it always been the practice since that time to record on the margin thereof those Commissioners who were present on each particular day?—A. No, Mr. Lawson, I cannot tell you when it started, but it started about 1918, I would say. It was not always on the margin; sometimes it was down at the bottom of the page, but the Commissioners attendance was recorded.

Q. Since at least 1918?—A. Yes. I think so. I have no recollection of the exact date.

Q. If, for any reason, to-night you should want to change your evidence in that respect, either from looking at the attendance book or anything of that kind, you will please come back to-morrow morning; otherwise, you need not come back.—A. Do you wish to verify it? I brought up the attendance books going back to 1921 and it shows the practice then, and it was not new then.

Q. Does it show the practice the same in 1921?—A. Yes.

By Mr. Ernst:

Q. The point is that it existed in 1926?—A. Might I explain? Perhaps I might answer Dr. MacTavish's question about the Commissioners. Dr. MacTavish asked if it was possible that a Commissioner might be shown present when he was not present or absent when he was there. It is quite possible he might be shown as present, because if files come up to me from his room through the day I would take it for granted that he had signed them that day and would enter him as present, and Commissioner Tremblay called my attention to-day to the fact that he sometimes signed files at night and they came to me in the morning.

The Chairman: That would give him credit for being present when he would be absent?

The Witness: Yes, when he would be absent; but I do not think a Commissioner would be shown as absent if he was present because before we take it for granted that he is absent we practically always make inquiries.

Mr. Bowman: Which, if anything else, would make the absences larger?

The Witness: I think my record is correct.

The Chairman: Your minute commences with August 2, 1928, and finishes with August 31, 1928. We will be ready to hear the officials of the Civil Service Commission to-morrow morning. If any member of the Committee wants anything further presented we will appreciate it if he is ready to-morrow morning. Mr. Bland, I said that before we heard the Commissioners I wanted to have you put in, if you will, a memorandum that you made in 1931 which I asked you for some time ago dealing with the question of oral examinations and rating boards on those minor appointments.

Mr. Bland: I intend to put that in. I will put in a copy if you like to-morrow.

The committee adjourned to meet Friday, April 29th, at 11 o'clock.

HOUSE OF COMMONS,

APRIL 29, 1932.

The Select Special Committee to inquire into appointments to and the control and direction of the Civil Service of Canada and, generally, the administration and operation of the Civil Service Act, met this day at 11 a.m., Mr. Lawson presiding.

The CHAIRMAN: I cannot remember who it was, but somebody got in touch with the Clerk yesterday, about some organization of Civil Servants who wished to be heard. It was a request that the Elevator Operators' Branch of the Civil Service Association should be allowed to be heard, and I took now the responsibility of advising the Clerk that it was much too far in the sittings to start to hear new organizations who had not made representations before, but if they cared to put in a written memorandum, I would have copies made and submitted to the members of the Committee for consideration.

There are a few questions I should like to ask Mr. Bland this morning.

Mr. BOWMAN: Is Dr. MacTavish here? Is there any evidence that he wants to present?

The CHAIRMAN: I do not know. I assume not.

Mr. CHEVRIER: I think he wants to put in a statement.

The CHAIRMAN: He can do that.

Mr. BOWMAN: The only thing is, had we not better clean it up, if there is anything more to be said, before we go on with anything else.

The CHAIRMAN: Is there anything further that any member of the Committee wants in respect to the matter we were on yesterday?

Mr. CHEVRIER: No; I understand we start in with the rebuttal now.

C. H. BLAND, recalled.

By the Chairman:

Q. Mr. Bland, I wrote you some days ago asking you to let me have or produce here, a memorandum that you prepared for the Civil Service Commissioners in 1931, relating to examinations for minor positions and so forth. Have you that document?—A. Yes.

Q. Would you just read that so it will go on the record? But before doing that, Mr. Bland, how did it come about that such a memorandum was made out? Is it something that was done on your own initiative, and suggested to the Commissioners, or is it something that was requested, or how was it done?—A. From time to time, Mr. Chairman, the examiners and myself have discussed the nature of the examinations set for various positions, and one of the points that had been discussed quite frequently was the desirability, or otherwise, of attempting to make ratings on education and experience for minor positions from the written statements filed by the applicants. As a result of those discussions, on September 10, 1931, I submitted a memorandum to the Secretary on the subject. Shall I read the memorandum in full?

Q. Yes.

The WITNESS: Subject: Oral examinations for lower grade positions.

In connection with the attached memorandum from Mr. Nelson, I think that an oral examination might be a sufficient test in the following classes of positions:

Caretaker
Cleaner and Helper
Packer and Helper
Watchman
Elevator Operator
Truckman
Customs Truckman
Customs Guard
Hospital Guard
Prison Guard
Hospital Orderly
Stationary Engineer
Inspector of Construction
Clerk of Works
Fisheries Inspector
Park Warden
Limited Service Customs positions where the salary is under $600 (i.e. those Customs positions which a written examination is not held for.)

New oral examination reports, drafted so as to include as factors such education and experience as are required for the duties of the position, are attached.

It has been the practice to hold written examinations, in addition to the oral examination, in certain of the above classes, namely, Customs Truckman, Customs Guard, Immigration Guard and Hospital Guard, but under the present circumstances I think that we would be justified in utilizing the oral as the sole test.

Selections for stock Car Inspectors are also made at present on the basis of an oral examination and a rating on education and experience, but as the Examiner, Mr. Bourbonnais, considers that in such cases the rating on education and experience has a definite value, I do not recommend any change in this particular examination.

"The Examiners in the other examinations specified above agree that the change suggested may well be made and that the examination system will not suffer thereby. Furthermore, considerable work for the Examiners will be eliminated.

If this procedure is approved by the Commissioners, I also recommend that, wherever possible, the oral examination be conducted by an Examining Board, including the departmental representative, a representative of the Commission and a representative of the Canadian Legion, as I think that by so doing the Commission will be more likely to secure fair and accurate relative ratings. Exception is made of the oral examinations for Prison Guards, as posters for these positions are continuously displayed and the orals are given by the Wardens as applicants present themselves." This memo was concurred in by the Secretary and presented to the Commissioners.

Q. Was any action taken?—A. The decision of the Commissioners is given in a board decision dated October 1st, 1931, and reads:—

> The Commissioners gave further consideration to the Chief Examiner's memorandum of September 10th, with reference to oral examinations for lower grade positions, and decided as follows:
>
> 1. For the classes of positions specified in the memorandum, the examination scheme is to be: Oral Examination, weight 7; rating on education and experience weight 3.
>
> 2. Where practicable, the oral examination is to be given by a Board, including a representative of the Commission, a representative of the Department and a representative of the Canadian Legion; otherwise by a representative of the Department.

3. In the rating on education and experience only such weight is to be given to the factor of education as is jusified by the qualifications required for the duties of the position.

The classes of positions are as follows:—

Caretaker,
Packer and Helper,
Elevator Operator,
Customs Truckman,
Hospital Guard,
Prison Guard,
Stationary Engineer,
Clerk of Works,
Park Warden,
Stock Car Inspector,
Cleaner and Helper,
Watchman,
Truckman,
Customs Guard,
Immigration Guard,
Hospital Orderly,
Inspector of Construction,
Fisheries Inspector,
Limited Service Customs, positions where the salary is under $600 (i.e., those Customs positions for which a written examination is not held).

Q. Then, Mr, Bland if I have absorbed the purport of that memorandum, it was to the effect that with respect to the decisions therein set out, the rating boards should be done away with.—A. On education and experience, as separate from the oral examination.

Q. And that there should be an oral examination, and as part of that oral examination, education and experience should be taken into consideration.—A. Yes, Mr. Chairman.

Q. And then, the Commisioners decided, that for the guidance of the examiners who were making the oral examinations, a weight of 7 should be given for the oral examination proper, and a weight of 3 only to the educational and experience feature of it.—A. It went a little farther than that. The Commissioners decided that the rating on education and experience from the application forms made by examiners should be retained and given a weight of 3, and that the oral examination conducted by the board, or by the departmental representative, should be given a weight of 7.

Q. The Commission favoured retaining the ratings?—A. With lower rates.

Q. Were they much taken down?—A. From five and five.

Q. Now, can you tell me why, in conducting oral examinations, there should be a representative of the Canadian Legion as one of the examiners?—A. I would not go that far, Mr. Chairman.

Q. That is a part of the recommendation?—A. That is the wording of the recommendation. We get into the habit in the Commission of speaking of the Canadian Legion representative as a member of the board.

Q. What is meant by that decision?—A. The meaning of the decision was that the Canadian Legion would be permitted to have a person on the oral examining board as a representative of the organiaztion.

Q. Right; for the purpose of seeing that the returned soldiers' preference was observed.—A. Exactly.

Q. But that does not mean that the representative of the Canadian Legion would actually participate in the marking of candidates.—A. No; that is a practice that has grown up. Our original intention was hardly that, but that practice has grown up through the constant presence of a representative of the returned soldiers on those examining boards.

Q. From your experience, Mr. Bland, over a number of years as an examiner, I presume you will agree with the view that those selected to conduct oral examinations should be persons having particular qualifications for those duties, and not any person who might, for the time being, irrespective of his education or qualification, be representing the Legion.—A. Yes.

Q. At some examinations?—A. I think that is true.

Q. Well then, the effect of that decision, so far as oral examinations for those minor positions which are now in force, are concerned, is that they are conducted by examiners selected by the Commission and representatives of the department.—A. The oral examination?

Q. The oral examination.—A. Yes.

The CHAIRMAN: Have you any question, gentlemen?

Mr. BOWMAN: I have some questions for Mr. Bland, but I prefer to ask them after the Commissioners have been heard.

The CHAIRMAN: I mean with reference to this one specific matter, because Mr. Bland will be available again.

By the Chairman:

Q. Mr. Bland, there is just one other matter I made a note of some time ago. There seems to be an impression among a great many civil servants that they cannot make representations, or complaints, to the Commission, if they feel they have been aggrieved by reason of any promotion, and that to complain to the Commission means that they will be dismissed from their position. I see the Civil Service Commission has a rule dealing with the matter, rule 105, part 3. Will you just read the rule, please?—A.

> Any person who directly or indirectly, solicits or endeavours to influence a member of the Commission or any officer thereof, in favour of his appointment, promotion, transfer, or increase of salary, shall be deemed to be unworthy of such appointment, promotion or increase, and it shall not be accorded him, and if he is employed in the civil service, he shall be liable to immediate dismissal.

Q. The rule, according to its wording, would appear to be a very proper one. Will you tell me, if in actual practice, civil servants are penalized for making complaints and representations to the Commission, or its officers, in respect to any promotion or matter where they feel they have a grievance?—A. I have never come across any such case, Mr. Chairman. We receive a certain number of complaints, as is inevitable. I think some of them, a few of them, come direct from the complainants themselves, some come through the departments, and many of them are from the employees' organizations. But I have known of no cases where employees have been penalized because of complaining against unfair tratment.

Q. Would we be safe in saying that the Civil Service Commission is willing to hear complaints, and look into the matter with discriminating against the particular servant who makes the complaint?—A. My feeling, Mr. Chairman, has been that we are anxious to hear any complaint or otherwise that will tend to create efficiency in the work in any particular.

By Mr. Bowman:

Q. As a matter of fact, Mr. Bland, the Commission, I do not suppose, would hear many complaints, as a matter of practice?—A. Well now, let me be clear. Do you mean the Commissioners or the Commission?

Q. The Commission.—A. Well, the complaints are naturally sifted through the staff to deal with, and if they are considered of sufficient importance to bring to the Commissioners' attention, they are so presented.

Q. To check over the value of them?—A. Yes; I should not say there would be a great number of complaints, but the Commissioners can give you more definite knowledge in that regard than I can.

By Mr. MacInnis:

Q. I should like to ask a question in regard to Regulation 105 which you have just read. I was wondering just how inclusive that would be, especially in regard to the part where it refers to influencing a Commissioner. The making of a complaint as to discrimination, or if an employee thought there was discrimination in promotion, would that be considered that he was influencing a Commissioner?—A. Well, Mr. MacInnis, I really think that is a question you had better ask the Commissioners themselves. I think they could answer it more fully.

Q. The point I wish to make is this: are civil servants reading this, justified in drawing the conclusion that has been stated by the Chairman?—A. Well, I do not know that I would agree entirely with that, Mr. MacInnis. It does not follow that solicitations in regard to appointment, promotion, transfer or increase of salary are entirely the same thing as a complaint against an injustice.

By Mr. Chevrier:

Q. This rule means after.—A. Exactly.

Q. After promotion, etc. I do not see there is anything there that would prevent a civil servant from going to a Commissioner or to the Commission and complaining.—No, I do not think so.

By Mr. Chevrier:

Q. This is only in connection with undue influence as to transfer, or promotion, or increase in salary?—A. That is what I meant, yes.

Mr. MacInnis: Well, if that is the understanding I am quite satisfied.

The Witness: That would be my understanding, Mr. MacInnis.

Mr. MacInnis: That is quite reasonable.

The Chairman: Thank you, Mr. Bland.

Now, gentlemen, is there anything else you want before we start on the other part of our program? Well, the Committee is ready to hear from the Civil Service Commissioners, or officials of the Civil Service.

Dr. Roche: Do you desire to hear from the Commissioners before hearing Mr. Putman?

The Chairman: It does not make a bit of difference, Doctor.

Dr. Roche: I would prefer that Mr. Putman deal with several matters first.

The Chairman: We would prefer that you arrange the order between yourselves.

C. V. Putman, recalled.

The Witness: Mr. Chairman, I want to make reference, first, to certain remarks made by Mr. Desbarats regarding the question of organization.

By Mr. Chevrier:

Q. Have you the page of that, Mr. Putman?—A. I am afraid I have not, Mr. Chevrier.

He made particular reference to an organization work that was carried on in his Account's Branch, and I would like to read an extract from his original letter, and extracts from letters of the Commission, and one other letter from the department.

The department's original request, dated July 15th, reads in part as follows:—

> At the instance of the Honourable the Minister of National Defence Mr. Gordon Scott of the Audit Board of Canada recently carried out a thorough investigation into the administration of the Department. I would request that a representative be detailed by your Commission to investigate the Department's proposals. A large part of the proposed procedure which was recommended by Mr. Scott has already been put into force and the Department is desirous of having this matter dealt with so that whatever financial provision is necessary can be made in the estimates for 1931-32.

By Mr. MacInnis:

Q. Who was Mr. Scott?—A. Mr. Scott was an auditor called in by the Minister of National Defence to look into the organization of the account's branch.

Mr. ERNST: Of the Ross firm, Montreal?

The CHAIRMAN: P. S. Ross & Sons.

The WITNESS: Of Montreal, yes.

There were two major recommendations that were made by the firm of P. S. Ross & Sons:—

> (1) The transfer of the Pay Corps from military to civilian control.
>
> (2) The removal of the Audit Division from the jurisdiction of the Chief Accountant and the creation of a separate Audit Branch reporting direct to the Deputy Minister.

Now, this question of the transfer of the Pay Corps has every sympathy of the Commission, in view of the fact that it had been recommended as far back as 1924.

The second recommendation, however, required the creation of a separate audit branch which did not receive such favourable consideration and, as a result of this, this is an extract from a letter written to the department in this regard:—

> The Commission cannot consider the removal of the auditing function from the Accountant; it cannot recommend an organization in the proposed Audit Branch to financially audit the Accountant, observing that this duty forms a legal and integral part of the Accountant's responsibility. It is not, however, proposed to refuse the Auditing organization definitely, but it seems advisable to request the Department to give this matter greater consideration. Should the Department confirm its proposals the Commission may then submit its request to the Treasury Board for decision.

That is, the Commission did not definitely refuse it, but said they would submit it to Treasury Board.

By the Chairman:

Q. That is, whose letter to whom?—A. That is a portion of the Commission's letter to the Deputy Minister of National Defence.

As a result of this letter the department replied in part:—

> It would appear that your Commission does not approve of Mr. Scott's recommendation for the establishment of a separate Audit Branch. The tentative proposals of the Department have, therefore, been modified to correspond with the requirements of your Department and the amended draft proposals now enclosed provide for the establishment of an Account's Branch of which the stores and financial audit will be a part.

That is, that the department agreed with the Commission that they would not put one recommendation of Mr. Scott into effect. I quote this to contradict the statement that the Commission did not take any part in this new scheme.

By Mr. Ernst:

Q. My recollection of what Mr. Desbarats said was that Scott came in and made the proposal for the reorganization of this particular branch, and then it was submitted to you or to the Commission and that you sent down Mr. Boutin, who had been a junior in that very office.—A. Right.

Q. And that he was quite unsuited for the work, and it was bad policy, in any event, to send him down. I am just telling you the facts as I remember Mr. Desbarats' evidence and after Boutin had played around with it for a year the recommendations of Mr. Scott in that connection were accepted by the Commission. That is my recollection of Mr. Desbarats evidence. I may be wrong. —A. Well, as a matter of fact, Mr. Ernst, this request came to the Commission under date of July the 15th. The Department requested at one time holding the matter over for about six weeks because their chief accountant was not ready to proceed, or some such reason, and it was finally reported. We wrote them on November 3rd, telling them that we did not agree with this proposal completely, and they did not reply again till December 26th, and the matter was reported to Treasury Board some time early in either January or February —I have not the exact date, but the fact is that it did not take over a year.

Q. Some where about a year?—A. From July until December, six or seven months.

Furthermore, Mr. Desbarats made the statement that he asked that we go ahead and proceed with the complete reorganization, and said that we intimated we could not do it. Now, I have no knowledge—and I have asked Mr. Boutin about it,—of ever having made such a statement, and none of my men know of ever having made such a statement, so Mr. Desbarats' statement in that regard is quite obviously wrong.

Q. As I recollect, he said, that Mr. Boutin was quite incapable of really doing the task to which he was assigned?—A. Well, Mr. Ernst, that is a matter of opinion. Mr. Boutin, when he went into the department, was a young man, and he has shown very considerable promise, and he came to the Organization Branch on the recommendation of his immediate chief—the Chief Accountant of National Defence—who considered him one of his most capable officials.

Q. Well, as a matter of policy, will you agree or will you not—whatever Mr. Boutin's qualifications may be—that it is scarcely fair to send him in to reorganize a department which he has just left and in which he was a junior.—A. I have got to make use of the best tools we have.

Q. It is something like asking Mr. Simmins to report on the Civil Service Commission,—A. I will admit that, and yet before Mr. Boutin undertook that work both he and I had a talk with the Chief Accountant of National Defence, who expressed the personal opinion that he had no objection to it.

Mr. ERNST: Thank you.

By Mr. Bowman:

Q. And while speaking about that, Mr. Putman, this was a more or less major reorganization, was it not, taking it from what Mr. Desbarats has stated, that is the impression I have?—A. Outside of those two points I have mentioned there was no major change. They absorbed the military pay division into the civilian division, and they proposed to take the audit away from the Chief Accountant and put it directly under the Deputy Minister. There were a few internal changes or shifts in staff and that sort of thing, but those were the two major proposals.

Q. Will you say this, Mr. Putman, that your staff as you have it at the present time—I am not disparaging it in any way because I know nothing about it—but do you think that your staff would be capable of handling a major reorganization of any of the larger departments without outside assistance?—A. May I leave that now. I will answer that a little later on.

Mr. BOWMAN: That is quite all right.

The WITNESS: Then I want to make reference to the matter that was brought up by Dr. Beauchesne with regard to the classification of the House of Commons.

This reclassification of the House of Commons was not so much a question of classification of positions as it was a question of salary review. The request of the department was for higher compensation for at least fifty per cent, of the staff, and the Commission, incidentally, granted about half of the requests.

The CHAIRMAN: That is good political compromise.

The WITNESS: I have got a short memorandum in connection with this that I would like to read:—

> Late in 1925 and early in 1926 considerable correspondence passed between the House of Commons and the Commission with reference to classification matters, more especially as regards the jurisdiction of the Civil Service Commission. Apparently the intention of Dr. Beauchesne was that as the House of Commons had full authority as regards organization that any positions provided by proper authority should be accepted by the Commission without applying classification.
>
> This matter was referred to the Department of Justice and in effect the ruling of Justice was that positions provided in the regular way were subject to classification the same as other positions under the Act. When this decision was communicated to Dr. Beauchesne he verbally requested that action be suspended, which was approved by the Commissioners under date of March 18th, 1926.
>
> The question of classification was again revived by letter of Dr. Beauchesne of July 8th, and a report was prepared which was approved by the Commissioners under date of July 24th, 1926, the decision being that as the question was equivalent to a general salary revision rather than changes in classification, that no action was to be taken until the wishes of the new Government in the matter were ascertained.
>
> In October, 1926, Dr. Beauchesne again requested the Commission to proceed. Some correspondence passed between the Commission and Dr. Beauchesne between that date and January 20th, 1927.

Just about this time, the Speaker of the House of Commons requested the Commission not to take any further action. Later, on January 24th, he followed this verbal request by a letter asking us to hold it up.

Then, in April, 1927, with the approval of the Speaker, the question of classification was again raised; and under date of May 9th the Commissioners instructed that Dr. Beauchesne be asked if an appropriation was provided to cover the increased cost of the proposals made by the House of Commons. To this Dr. Beauchesne replied by letter of May 16th, that they had the money,

and a complete review was authorized of the House of Commons classification. From this date up until August 2nd, at which time arrangements were made for an interview with Dr. Beauchesne, a very careful study was made of the classification of the various positions in the House of Commons, many pages of information having been supplied as well as classification cards for all positions. A complete report was prepared and submitted to the Commissioners and, at his request, Dr. Beauchesne attended a meeting of the Commissioners at which time the Commissioners had before them the report of the Organization Branch.

I do not remember that Dr. Beauchesne at this meeting made any request to be informed as to the recommendations which were being made to the Commissioners for, had he done so, I see no reason why the Commissioners would not have informed him of same. Dr. Beauchesne at this meeting was given every opportunity to express his views, and in reaching a decision the Commissioners gave consideration to the representations which he then made. Following this conference the Commissioners instructed that a report be forwarded for the approval of the House by resolution.

This report was approved by Resolution of the House on the 11th May, 1928, and it would seem, if as much dissatisfaction resulted as would appear from the remarks of Dr. Beauchesne, that it was in the hands of the Internal Economy Committee, to whom the report was presented, before going before the House for approval, to refer back the report to the Civil Service Commission if they considered that the report was not fair and equitable and in the interest of the staff of the House of Commons.

By Mr. Bowman:

Q. Just before you leave that, Mr. Putman, you will remember one of the main objections that Dr. Beauchesne made was to the effect that the staff of the House of Commons had to have certain technical qualifications. For instance, in the matter of reporters, you will remember him referring to details such as that. What do you have to say with respect to appointments in that connection?—A. Well, the salary that is paid, in my estimation, to the reporters on the floor of the House, for the time that they spend here, is a very fair salary in comparison to other salaries to-day in the service. I think, however, that the salary paid some of the other reporters is probably not as high as they should be, and I would be prepared at any time to make a recommendation to the Commissioners that it should be raised, but in view of the financial hold-up at the present time we cannot do anything.

By the Chairman:

Q. However, Mr. Putman, in the case of getting good reporters for the House of Commons, a comparison of other salaries paid in the Civil Service has really nothing to do with the subject matter. It is a question of what salaries have to be paid to court reporters, and people of that class, because the House must have the most expert reportorial assistance.—A. I should have included, when I said that, and what is being paid outside. For the length of time that they spend on this work each year it bears a very fair comparison to what is being paid outside.

By Mr. Bowman:

Q. While perhaps that is something I had in mind, still Dr. Beauchesne suggested that there might be some elasticity in connection with the picking out of such additional men, due to the fact that they had to be very expert, and that if he had the employing he could possibly get in touch with men and be on the look-out for them all the time.—A. My answer to that, Mr. Bowman, is that if Dr. Beauchesne can do it, the Commission can do it.

Q. It would be, more or less, followed along somewhat the same lines proposed—though probably not to the same extent—by Dr. Tory, with regard to

technical help.—A. My opinion is that the Commission can do just exactly the same and make just as good appointments as Dr. Tory can.

By the Chairman:

Q. Mr. Putman, I wonder if you have given consideration to all the factors that enter into the thing when you make that statement? Let me assume, for instance, that I wanted a particularly good lawyer for some particular position. Your system at the present time is to advertise and hold a competition.—A. Yes.

Q. Now, I suppose you know—I do not want to say the best lawyers—that successful lawyers will not answer your advertisements or apply for your positions, they are not interested; first, because the money that is paid is not great enough, and, secondly, because a lot of them would not want to be bothered with it anyway.—A. Well, you would not get that class of man, Dr. Tory would not get that class of man any more than the Commission would.

Q. Oh, yes, he might. I might go to a lawyer, if I were in a position to do so and I am simply taking the field I know—and I may say, "We need you for this job, and in the interests of the country it should be done. I know you are making $10,000 a year and I cannot pay you that; the most I can pay you is $7,500," and I might be able to induce that man to take that job. Frankly, Mr. Putman, speaking in a field I know, I venture to suggest that if the Civil Service Commission to-morrow set an examination for a lawyer at $6,000 a year, we will say, there is not a member in this Committee who is a legal man who could pass that examination.—A. You have me on unfamiliar ground; I am not an examination expert.

Q. But do you not see my point, Mr. Putman. The House of Commons requires the most expert shorthand writers——A. Will you leave that and question Mr. Bland about it. He is more familiar with regard to that than I am.

Q. I am thinking of it from a classification feature, and I fear, from the salaries I have seen, for example the classifications which are allowed the staff of the House, that you have missed the viewpoint in connection with this, and that you cannot get the most expert men on the basis of the hours they have to work and the salaries which are paid.

Mr. CHEVRIER: And the conditions under which they work?

Mr. ERNST: You cannot measure experts by a yardstick.

The WITNESS: I will agree to that, that you cannot measure experts by a yardstick, but there are certain positions where it is fair to measure them by a yardstick. I might also say that in the Government service, in certain instances and for certain positions, you have almost got to go out and get men and pay the salary that is needed to get them.

By Mr. Ernst:

Q. As in any other line of business?—A. Yes, I will agree with that, and we have done that in certain instances.

Q. If you ever lose the function of the Commission then immediately you are getting away from the general basis of the principles on which we work. You must, in the ordinary run of events, measure with a yardstick; that is the only rule you can apply.—A. The bulk of the service can be measured, more or less, that way. I still contend that the salaries that are being paid generally to the employees of the House of Commons have been very very fair in comparison with other more or less similar positions throughout the service.

By Mr. Chevrier:

Q. Do you take into account the other side of the picture, the fact that they have to work under peculiar conditions for a short time, with the uncertainty of the work?—A. I am talking about permanent employees, Mr. Chevrier.

Q. All of these employees must be taken into account.—A. Yes.

Q. Even the permanent ones.

Mr. MacInnis: I raised that point in regard to members' stenographers, and I think I got rather scant consideration from the Committee.

The Chairman: No, I had them in mind.

The Witness: Those stenographers do not come under the Civil Service Commission at all.

Mr. MacInnis: I know they do not. However, the point was raised.

The Witness: Yes. There is nothing further in that regard?

By the Chairman:

Q. Mr. Putman, as head of the Organization Branch, Mr. MacInnis speaking of stenographers put something in my mind. Is there any reason why, in your opinion, a full time stenographic staff could not be employed for use by members of the House of Commons, and between sessions those stenographers could be used to supplement departmental requirements and be assigned, on requisition, to the departments, to the Civil Service Commission, or some branch of the Civil Service.—A. I think possibly something in that regard could be worked out.

Q. You are not able to see any obstacle to it?—A. No, I am not able to see any obstacle to it.

Mr. Bland: The practice is in effect now of utilizing House of Commons stenographers in the departments.

The Chairman: No, no, you miss my point altogether. A House of Commons stenographer now gets $4 a day, and on some absurd principle is paid for seven days a week and works six, instead of being paid a salary. These girls work nights, and I have no hesitation in saying that the one who is assigned to me this year has been working three nights a week ever since this Civil Service inquiry has been on, but why could not these girls be given a permanent position the same as any other stenographer in any other department and assigned to the House of Commons staff during the session, and in between sessions used to supplement the requirements of the different departments?—A. I do not see why.

Q. Instead of making a raft of temporary appointments of stenographers to some departments who, for the time being, have an additional amount of work?

Mr. Chevrier: Let us take it in this way: There are eighty odd stenographers on the House of Commons Staff. As soon as the House closes these stenographers are placed on an eligible list in the Commission, but the moment the House closes you have eighty stenographers out of work. How long would it take to absorb, during the year, or in the recess between the two parliaments, these eighty girls? Some of them would be on the list with pay and no work. Then supposing they were all absorbed, or sixty of them were absorbed, between sessions into the Government service, then when the next session opened you would have to bring them back again from their positions and disturb the various departments.—A. Well, when I said I thought it might be possible to be worked out—

Q. I think you spoke too quickly.—A. I had in mind the fact that usually during the summer time, during vacation, there are a considerable number of requests for temporary people.

Mr. Chevrier: I have no objection to those girls being appointed permanent and drawing their salaries the whole year round, and if you can show me a way it can be done I will vote for it.

The CHAIRMAN: What I had in mind was this: If those girls were given permanent positions you could pay them $28 a week. Let me assume they were paid the prevailing rate of salary for a good first class stenographer, and I would expect they would be first class. It is quite true that during the recess, between sessions, those girls would probably have, some of them, a week when they were not working and for which they were getting paid, but a department would call up, we would say Mr. Putman of the Civil Service Commission, and say "We want ten extra stenographers for four weeks." Mr. Putman knows whether the session is going to start within that four weeks, so he assigns ten of those girls for the four weeks, and so on. By employing them on a staggered system I think you could meet the requirements of the department and would save an enormous amount of temporary appointments which seem to crystallize ultimately into permanent appointments, and I think you would get a better staff for the House of Commons, and you would have available stenographers that could be used in the departments.

The WITNESS: That is what is being done more or less now, other than the fact that they are temporary. A good many of them are assigned each summer after the House has prorogued.

By the Chairman:

Q. Then, Mr. Putman, let me see now if I get your idea clearly: You have in the Commission an eligible list of stenographers, we will say grade 2?—A. Yes.

Q. Which stenographers have qualified by examination. Then do you add to that list the girls who are employed as sessional stenographers?

Mr. BLAND: May I answer that, Mr. Chairman?

The CHAIRMAN: Yes.

Mr. BLAND: The procedure under normal times obviously is not the same procedure as that being followed this year, so, if I may, I will refer to normal times. In normal times the House of Commons stenographers, when the session is over, or shortly before the session is over, are reported to the Commission by the Chief of the Stenographic staff, with a report upon their qualifications and their service. When the summer season begins it is usually the fact that many of the regular departmental stenographers are away on leave. That is the leave season. Consequently, if a department requires temporary help that temporary help is secured from the regular eligible lists of the Commission, but on practically all occasions in normal times those lists have not been sufficient to meet the needs, with the result that the temporary sessional stenographers of the House of Commons have been used for periods of four, eight and twelve weeks during the summer in various departments.

By the Chairman:

Q. So that, generally speaking, a lot of these young ladies get temporary employment, in normal times?—A. A great many, yes.

Q. That may be so in normal times, Mr. Bland, or abnormal times, but I have in mind two young ladies who are on that staff who have worked for me, and I venture to suggest they rate as high as anybody but as yet they have not had one day's temporary work between sessions?

Mr. BOWMAN: Where do they come from?

The CHAIRMAN: Ottawa.

Mr. BOWMAN: There are quite a number of the staff of stenographers that come from outside Ottawa.

Mr. BLAND: Quite so.

Mr. BOWMAN: I suppose it is a little difficult to deal with those.

Mr. BLAND: As far as the Commission is concerned, the list is taken in the order given by the head of the stenographic staff of the House of Commons who, obviously, knows the stenographic staff, and we assign them in the order that he gives us as to their capabilities. If there have been acts of injustice, Mr. Chairman, in this particular instance I would like to have the names and I would be glad to look it up.

The CHAIRMAN: I am not suggesting there is any injustice. That is the fact. It happens to be in my own personal knowledge.

Mr. BLAND: It might possibly be that the ladies to whom you refer have had shorter service.

The CHAIRMAN: I am not suggesting that there is any in this, but I am mentioning some facts which happen to be within my own personal knowledge.

Mr. BLAND: It may be that the two to whom you refer have had shorter service. That might be a factor in the case.

The CHAIRMAN: I do not know. Perhaps I am taking up more time than I am justified in taking.

By Mr. Bowman:

Q. Mr. Putman, you have a number of classifications of typists as well as of stenographers?—A. Yes.

Q. Is that necessary?—A. In what way?

Q. Is the number of classifications which you have necessary,—the different classifications? How many classifications, for instance, have you for typists?—A. Three grades of typists and three grades of stenographers.

Q. Is there a necessity for those three grades?—A. I do not know that there is an absolute necessity for it.

Q. I cannot see any reason at present why there should be six grades, when practically all the typists you employ are capable of being in the stenographic class?—A. Of course there is a difference between the typist and the stenographer. Mr. Bland and I have quite frequently discussed the question as to the number of stenographic grades and typist grades that we have, and we have pretty nearly reached the conclusion that instead of there being six there should be only four.

Q. Of all?—A. Yes.

Q. Then the same in respect to clerks?—A. I could not agree with that as regards clerks.

Q. How many classes of clerks have you now?—A. Seven; grades 1, 2, 3, 4, principal clerk, head clerk and chief clerk.

Q. Do you think there is a necessity for all those grades?

By the Chairman:

Q. Mr. Putman, if I may be pardoned for suggesting, once you get out of the grades head clerk and chief clerk are really names of persons occupying those positions and not doing clerical work in the ordinary sense?—A. No, they are doing special work.

By Mr. Bowman:

Q. Then let us confine ourselves to the four grades?—A. Yes, I think the four grades are required.

Q. What are the ranges of salary?—A. $720 to $1,020; $1,080 to $1,380; $1,380 to $1,620; $1,620 to $1,920. I think that it is perfectly possible to place people within those grades according to the duties that they have.

Q. That they have to perform?—A. Yes.

Q. I do not know whether I am going afield, but perhaps the Chairman has started something.

The CHAIRMAN: Yes, I am afraid I did. I remarked a few minutes ago that I was afraid I was taking up more time than was justified by the problem.

By Mr. Bowman:

Q. You mentioned in your evidence, Mr. Putman, that the only real classification of the Civil Service staff had taken place in 1920 or 1921, and nothing in a large way has since been done. Do you not think the time has arrived when there should be a fresh classification?—A. I would also like to leave that for a little while. I will deal with that later.

Q. You will bear that in mind?—A. Yes, I will.

Q. My real idea in asking this question is that there does seem to me to be an awful lot of routine and red tape, and I think you will agree with me, that wherever it is possible that should be cut down?—A. I think so.

Q. If you have anything along those lines, I should be glad if you would mention it, and I will deal with it again.

By Mr. Laurin:

Q. You have stenographic grades 1, 2, 3 and 4?—A. No, only 1, 2 and 3.

Q. For Grade 1 they are supposed to pass a special examination?—A. Yes.

Q. If a girl has been in an office for two or three years, do you not think she should be promoted without having to pass an examination?—A. That is something which which I think you should ask Mr. Bland; I am not conversant with it.

Q. If a girl has acquired the experience of two or three years, after three years she is supposed to pass a special examination for Grade 2. She is competent there and she ought not to have to pass an examination for that?

The CHAIRMAN: But, Mr. Laurin, are you not losing sight of the fact that in your office or mine you and I know intimately the girls in the office and it is not necessary for us to set an examination for them, because we know their competence; but when you have 35,000 of them, what other method can you take than some form of test?

Mr. LAURIN: I should think that when a girl in Grade 1 has spent two or three years in a department she should be passed without an examination, and there are many cases of that.

Mr. BOWMAN: It would depend upon whether a girl was efficient or not. There are some who are not sufficiently capable to pass into a higher grade.

The CHAIRMAN: Do you not see what you are opening up here? If this Committee had the time to go into departmental abuses we would have something to shock us. One head might recommend a girl who was efficient, and another might recommend one who was wholly inefficient.

Mr. FORAN: I would suggest Mr. Bland will later explain that.

The WITNESS: On page 546 of the evidence, Dr. Camsell said:—

> No record has been kept of unusual delays in the making of appointments, but it is felt that the average length of time as shown on the preceding statement is too long. This general delay is believed to be mainly due to the fact that under the present procedure all requisitions must pass through the Organization Branch for scrutiny before any action whatever can be taken toward securing the assistance required by the Department. From their experience in these matters the officials of the Mines Department have been forced to conclude that the Organization Branch has become more of a hindrance than a help in the making of appointments. The attitude adopted by the Organization Branch has

been one of frank "control" and in some cases, of actual obstruction, and in view of the fact that each requisition is scrutinized and signed by the Deputy Minister or the Assistant Deputy Minister before it leaves the Department, such a policy would seem not only unbusinesslike but unnecessary.

Under the Civil Service Act the Commission is charged with the duty of controlling the organization of departments.

Surely one way to control the number of employees is to scrutinize all the requests for new employees that come from a department. Each requisition for a permanent appointment in the department of Mines calls for the expenditure of at least $1,500 per annum, on the average.

I have extracted the number of requisitions for permanent appointments in the Department of Mines for the year 1930-31.

14 were in Organization Branch 1 day
5 were in Organization Branch 2 days
2 were in Organization Branch 3 days
1 was in Organization Branch 4 days
1 was in Organization Branch 5 days

Of the total of 23 there was an average of less than $1\frac{3}{4}$ days, some of which may have been Sunday.

By the Chairman:

Q. What held them up then, Mr. Putman?—A. I am offering no explanation of that at all, but I am simply quoting what I found out from the Organization Branch records.

By Mr. Chevrier:

Q. What was the nature of the position?—A. All kinds of positions.

Q. There are all kinds of all kinds of positions. Were any of them technical positions?—A. I cannot tell you that.

Q. That might account for it. Does it not take longer to make an appointment for a technical position than for an ordinary position?—A. Yes, often it does; but I am quoting from what happened in 1930-31.

It is not that I object to honest criticism that I bring this matter up. I cannot conceive that any person or persons could attempt to control staff in any way without being subject to criticism; but with the facts as I have just related them, it does seem to me that Dr. Camsell has been wrongly informed regarding delays in my Branch.

Mr. Desbarats, Mr. Gaboury, Dr. Camsell, and Dr. Beauchesne, all complained that they had no opportunity to put in any rebuttal to Organization Branch reports.

The departments are urged to make out as full a case as possible in submitting a case of reclassification to the Commissioners. This also includes small organization work.

After an investigation is made it is invariably discussed with the employee's superior officer, the personnel officer of the department or the deputy, and I should judge that usually the department is informed of the probable kind of report which will be made.

If there is any doubt about a report, very frequently the Organization Branch asks authority to submit its report to the department before it is sent to the Commissioners for decision, in order that the department may, if it so desires, submit any further data they may have for the information of the Commissioners in reaching a decision.

Many, many times have I and my investigators indicated to departmental officers that we could not support a request; and in no instance do I remember the

Commissioners refusing to hear and consider the department's side of the case. The point I want to make is that we try in our reports to give the department's side of the case as well as our own, and give the department every opportunity to put up everything they can in favour of the appointment they went to make.

By the Chairman:

Q. When you say that, to what branch do you refer?—A. That is the Organization Branch.

Q. That does not necessarily say it gives the department an opportunity to make representations before the Commission?—A. They may, if they ask for it. I have never known the Commission to refuse to hear a department.

Q. That is not in the answer at all. The department puts in a requisition asking for an appointment, and they submit reasons in favour thereof?—A. Right.

Q. The Organization Branch then makes a report on that to the Commission, and the submission is that the department should then have an opportunity of arguing their case before the Commission. That is the point?—A. I do not know that anybody would raise any objection to it.

By Mr. Bowman:

Q. The point is that that has not been the practice?—A. No, but in a good many major changes the report of the Organization Branch has been in the hands of the department before it went to the Commissioners, and in some instances the department have taken it up and discussed it with the Commissioners.

By Mr. Chevrier:

Q. Are there no cases where the department has asked to be heard before your Branch and you have refused?—A. Not that I know of. I have never heard that the Commissioners refused. Most certainly we never have refused.

Q. That is before the Commission meets?—A. I know of no instance where we have refused to hear anything that anybody has had to say regarding any case.

There is one matter regarding the whole of the government service at Ottawa, and I have reason to believe that it exists in other centres as well, which has a very material bearing on proper organization and efficiency which I would like to bring to the attention of the Committee, knowing when I do so that in this time of financial stress that there is probably little chance of very immediate material betterment, and this is the question of the proper housing of departments, and, going a step further, the proper layout of offices to meet the needs of the various departments. I could, if there is any object in doing so, provide illustrations of inefficiencey and overstaffing due almost entirely to the lack of proper accomodation for employees and their work.

I just wanted to get this matter on record because I think it is a matter of considerable importance.

By the Chairman:

Q. Is there an architect employed in any department of the Civil Service Commission?—A. No.

Mr. Bowman: I think the Committee agree as to that and do not require any elaboration on that.

Mr. Ernst: Anyone who has had to run around among the departments understands that.

The Witness: As regards the general question of organization, constant and persistent efforts are necessary to effect economies. It is my opinion that we have done enough of this kind of work to more than justify our existence, but that a vigorous, sustained effort in this phase of the Commission's work would show remarkable results.

I have been asked if we have enough and the proper staff to carry on this work effectively. Frankly, we have not. Might I liken the staff we have now to a family physician, who when he has a specially difficult case may call in a specialist. We would need the services of specialists from time to time to carry to completion major organization studies.

I have not had an opportunity to go very deeply into the question of classification, but I would like to make one suggestion which may have merit in the eyes of the Committee.

It is now more than ten years since the classification of the Service was completed. In that time many departments have taken on new work, old matters have been abandoned and it seems to me that there might be a provision in the Civil Service Act whereby a general review of classifications be undertaken every five years.

Inasmuch as I know the Committee does not want to listen to a treatise on classification at this date, I am filing copies of the report of transmission which accompanied the original classification in 1919, which covered more ground than I could possibly cover in a whole day.

Does that answer your question?

Mr. BOWMAN: Yes, that is the point I had in mind, exactly.

By the Chairman:

Q. Have the Commission no power to do that now, if you request them?—A. Yes.

Mr. BLAND: If we had the money.

The WITNESS: If we had the money.

By the Chairman:

Q. Have there been requests to call in experts to assist the Organization Branch?—A. Yes, but not in recent years.

By Mr. Bowman:

Q. Might I go a step further? That raises another point. Some discussion has been had at different times during the sittings of the Committee,—I do not know from whom the suggestion originated, but there was some suggestion that the Organization Branch be brought under the control of Treasury Board. Have you given any consideration to that matter, Mr. Putman? When I say the Organization Branch, let me say with respect to salaries, classifications and matters of major organization.

Mr. ERNST: That would practically mean all in that Branch.

The WITNESS: I do not see any great advantage to be gained by putting it under Treasury Board, if we could proceed with a vigorous policy of reorganization.

By Mr. Bowman:

Q. And if it goes to Treasury Board, I think there should be every protection from political interference given to whoever is in charge of that work? —A. Yes, the man in charge of that work should be as independent as the Auditor General.

By Mr. Ernst:

Q. I see the difficulty of placing the classification under Treasury Board. It would leave them open to influence for political reasons. If classification alone were the function of your Branch— —A. It should be with the Civil Service Commission.

Q. I am inclined to agree with that, if classification were the sole function or if organization as such were taken away from the Civil Service Commission and no Organization Branch retained, but you kept your classification branch, it would mean a reduction in your staff, if you worked on classification only? —A. Yes.

Q. Then if organization work was to be done with outside experts to be called in to do it, you would probably have less officials at less expense?—A. I am not sure that you have not, to carry on the problem of reorganization, to have a permanent staff to do that kind of work, the nucleus of a staff of experts that you can call in from time to time.

Q. It has occurred to me that probably a solution of the matter is to let your branch deal with classification as such, that is salaries, and not to make any pretense of organization work; and when organization work is necessary, to have Treasury Board call in outside experts to do it?—A. But you would have no consistent policy, then.

Q. The classification keeps your salaries consistent, and as to organization, I do not see anything very consistent between the organization of one department and that of another?—A. Classification and salaries are very intimately connected with the work of organization.

By Mr. Chevrier:

Q. Are those two branches so distinct that you can separate them to that extent?—A. No, they are not distinct now, and I certainly would never recommend separating them because of their intimate relations.

The CHAIRMAN: My own view is that there should be some permanent staff in connection with organization to correlate matters. Call in an expert about some matter, and he knows nothing about what has been done in some other department at some other time. To my mind, looking over the classification book, the discrepancies are enough now, having regard to the duties performed in many cases; but if you had no co-ordination in connection with them, I think you would be much worse off than you are now.

By Mr. Chevrier:

Q. Does not the classification now result from the original classification and the great efforts which were subsequently made to cure that monstrosity which was inflicted upon the Service at the time of the Young-Griffenhagen episode? Is there not still a sort of a permeating classification which has been perpetuated?—A. Our constant regard has been to simplify and improve the classification.

Mr. CHEVRIER: Yes, that has been my understanding in the last twelve or fifteen years.

Mr. BOWMAN: That is quite true, but as I have asked Mr. Putman a moment ago, there has not been any real reclassification since 1920-21.

Mr. CHEVRIER: You would have to scrap the present one and go back to the root.

The CHAIRMAN: I do not think you would have to do that, Mr. Chevrier.

Mr. CHEVRIER: You just start in at one corner and see how far you would go.

The CHAIRMAN: Without having any evidence before us, and therefore my conclusions may be erroneous, just by looking at the classification book, I see six or seven instances that stand out like a boil on the end of one's nose.

Mr. CHEVRIER: I quite agree with you, Mr. Chairman.

Mr. ERNST: After all, is not this something to be argued over afterwards, after we get the evidence?

Mr. BOWMAN: If there is any further evidence to be given in this matter.

Mr. PUTMAN: I think there might be some provision in the Civil Service Act whereby it would be made encumbent that a review of the classification of every employee should be made every five or ten years.

Mr. CHEVRIER: There was a provision somewhere, was there not, about a review every ten years? I think that was brought out since 1923—in the Béique Report.

The CHAIRMAN: So that it may develop anything you may have to say in that regard, I point out to you that offhand I can see no advantage in putting in the Act an arbitrary provision that such and such a thing must be done on a given date, in respect of anything where the Civil Service Commission now have discretion. It is a matter of judgment as to whether they exercise that discretion and jurisdiction. I would rather leave it to them to say, "Putman, look over the classification of the Interior department to-day;" and then they might come to you six months later and say to you to do it again. I do not like arbitrary provisions in statutes, if they can be avoided.

By Mr. Bowman:

Q. In any event, it is your opinion that there is a reclassification now due or past due?—A. I think all employees in the government departments should be classified again now.

Q. You have not the staff in your Branch to do it?—A. I think it would take eighteen months or two years, but I could do that particular job with the staff I have got.

Q. Would it not be better to get a larger staff and do it in a shorter time?—A. It would take me ten or twelve months to train a staff to do it.

Mr. CHEVRIER: Do not bring in the Griffenhagens, please, whatever you do.

The WITNESS: I have brought up for the Committee copies of the Report of Transmission which accompanied the original classification. There is a lot of material regarding the basic principles of classification which may be of interest.

The CHAIRMAN: I think I should say for your general information and that of the Commission and those interested, the Committee some time ago had a tacit understanding among themselves that, having regard to the shortness of this session, it will be utterly impossible for us to perform fully the duties which were assigned to us under this order of reference from the House; and therefore we were going to leave the matter of classification and some other matters to the end, to see if we have time to deal with them.

Frankly, we have not had time to deal with classification, and we will not have time to deal with it; and therefore I shall be very much surprised if the Committee would attempt to make any detailed recommendations on the subject of classification, when we have not had an opportunity to study that aspect thoroughly.

Mr. BOWMAN: Certainly I would have no idea of this Committee making detailed classifications. It does seem to me that in view of the fact that there has not been a classification since 1920, and as Mr. Putman himself thinks it is overdue, I do not see why this Committee should not deal with that phase of the matter. I think that is very important.

The CHAIRMAN: I am not suggesting we should not, but I am merely trying to head off any detailed classification.

The WITNESS: I am not anxious for it at this time.

Mr. BOWMAN: We do not want any detailed classification now.

Mr. Laurin:

Q. You think it would take from eighteen months to two years?—A. Yes, to make a detailed review. A good many parts of the Service outside of Ottawa have never been reviewed yet; no one has gone to see the position, outside of Ottawa; and I think that should be done.

By Mr. Ernst:

Q. Do you think there should be periodical classifications anyway?—A. Yes.

I have not very much more to say except that I want to quote from memory from an efficiency publication which came to my attention some time ago. This writer was speaking of the executive staff of a 25,000 to 50,000 employee concern in the United States:—

> In the interest of efficiency and economy it should be made as hard as possible for a unit to get new employees, and as easy as possible to dispense with their services when a work is completed.

This probably does not apply in its entirety to the government service, but as far as new employees are concerned I entirely agree with it.

Q. I have been going through your own classification, as we might call it, and it strikes me that in the matter of salary increases,—is the Commission itself in the same position in that respect as the other departments?—A. Yes.

Q. Can you tell me any department in which there has been the enormous salary increases that there have been in the Commission?—A. I was under the impression that the Commission was a good deal lower than the other departments.

Q. I am not suggesting that the men are not worth all they are getting, and some of them may be worth more than they are getting, although the salaries appear large to a layman. Take, for instance, the first man on this list who to-day is getting $4,320. He started in 1918 at $2,050 and simply by a series of promotions has reached $4,320?—A. That is explained by the fact that the Commission has come into being really since 1918.

Mr. Ernst: In 1919 his jump was to $2,700; in 1920-21 to $3,009; in 1921-22, to $3,345; in 1922-23, $3,525; in 1923-24, $3,705; in 1924-25, $3,885; in 1925-26 to $4,020; in 1927-28 to $4,140, where it remained constant for three years, and then it jumped in 1930-31 to $4,320, where it now stands.

By Mr. Laurin:

Q. Was there a special examination every year for those men?—A. No.

By Mr. Ernst:

Q. The next in the line was getting in 1918-19, $2,050, and in 1919-20 jumped to $3,060; in 1920-21, to $3,350; in 1921-22, to $3,900; in 1922-23 to $4,080; in 1923-24, to $4,260; and to-day is getting $4,920, less 10 per cent?—A. The Commission believed that the salaries which were being paid were not high enough.

The Chairman: I too had a note here to ask about that.

By Mr. Ernst:

Q. You have treated yourselves more generously than you have treated others in the Service?—A. I do not think it.

Q. I will skip the next, who is not now in the Service, and take one who, in 1918-19, was receiving $1,175, and to-day he is promoted until he gets $3,240. The next,—

By Mr. MacInnis:

Q. Have you comparisons with other departments?

By Mr. Ernst:

Q. I am asking if Mr. Putman can tell me other departments in which employees got anything like that increase?—A. I would quote the Post Office department, the Interior department or almost any department of the public service, and I will trace their employees who twelve or fourteen years ago were at very low salaries and have come up to the top to-day.

Q. But these people in your department, as far as I can see, are holding down the same offices and doing the same work,—I am certain of it with some, because we know the positions which they held in 1920?—A. Mr. Bland has just mentioned the department of Finance.

Q. I could take a dozen here where salaries have been roughly trebled—men who as far as I can see are still doing the same work that they did in 1919-20?—A. I very much doubt if any of them are doing exactly the same work to-day that they were doing in 1920, outside of one or two.

Mr. MacInnis: I think this is very unfair evidence unless you get comparisons from other departments.

Mr. Ernst: I can use my own judgment in what I bring up.

Mr. MacInnis: If you do that, I shall have to ask for other information.

By Mr. Ernst:

Q. I am asking, Mr. Putman, if you can mention any other department where the men have been doing the same work and have received such increases? —A. Frankly, I do not think that they are doing the same work. I do not think that strictly you could say that any of them are doing the same work that they were doing in 1919-20.

Q. It looks that way on the face of it?—A. True, it does.

Mr. Vallance: Did you ask for that information in that table?

Mr. Ernst: No, it was filed with us by the Auditor General and it has been with us for a month.

Mr. MacInnis: If Mr. Putman is asked if he can name other departments, he should be given time to give the information.

Mr. Ernst: He is being given time.

The Witness: I think the explanation can be given—that the same thing applies to other departments.

Mr. Ernst: There is one man whose salary has been nearly doubled or trebled and I do not think he is getting enough to-day.

By Mr. Vallance:

Q. Is there anybody who checks your increases?—A. There is a difference between increases of salary—do you mean just ordinary salary from year to year within the salary range?

Q. There are statutory increases?—A. Yes, and those are checked within the Commission itself.

By Mr. MacInnis:

Q. It then received the approval of the Treasury Board?—A. Those do not have to receive the approval of the Treasury Board. If a junior clerk was to be changed from $920 up to $1,200, to $1,500, that would have to be approved by the Treasury Board; and that is the kind of suggestion which the branch would make for approval to the Treasury Board.

By Mr. Vallance:

Q. In changing from one class to another, you check up all departments of the government?—A. Yes.

Q. Does anyone check up your department?—A. The Commissioners; and where it is a question of change in salary it has to be approved by Treasury Board.

Q. I suppose you have some recommendations which have been refused?—A. By Treasury Board. Of late there have been several cases sent up for approval, which have not been touched at all. In fact we have now instructions from the Treasury Board that they will not now consider increases in salary.

Q. When looking over that sheet, I was amazed at the jumps, but I do not think we should take your Civil Service Commission without comparing it with other departments?—A. I am satisfied that there is a perfectly reasonable explanation for every one of them.

Mr. ERNST: I did not want it to be left with us as an exhibit without any explanation. I did not ask for it but it was compiled for us by the Auditor General.

Mr. FORAN: Mr. Putman has overlooked the fact that one of the duties imposed upon the Commission in 1918, when the outside service was brought within the jurisdiction of the Civil Service Commission, was that a reclassification of the Service was to be carried out.

In connection with the reclassification of the duties and responsibilities, there was a regrading of salaries. The salaries that were fixed at that time were not fixed by the Civil Service Commission, but they were fixed by the board of experts which were brought in here, of whom Mr. Chevrier is so fond and to whom he likes to refer once in a while. That report was submitted to and adopted by Parliament and the salaries were fixed then and there not only for the officers of the Civil Service Commission but for every department of Government.

I think, if you will look into the increases which have been made to the salaries fixed at that time, you will find that they are not very great. The salaries that I mention were fixed by this board of experts brought in to reclassify and to regrade the salaries.

The salaries were fixed by the Board and were adopted by the Board and were adopted by Parliament which involved an increase in every department of Government. The new salary was fixed upon the duties and responsibilities, one of the reforms that the Civil Service had been agitating for for years. It was generally conceded in the country prior to 1918-19 that the civil servants were underpaid. As I say, if you want to discover exactly what the increase in salaries of the officers of the Commission has been since that time you will find that it has not been any more than in other departments of Government.

The CHAIRMAN: What was the date of that report?

Mr. FORAN: That report was 1919-20. Then, you realize that as the result of the bringing in of the outside service the duties and responsibilities of every member of the staff increased tremendously, and I am quite sure we could give you a further justification for any increases outside of the annual increment which was guaranteed by the classification.

Mr. ERNST: You say that there has been no marked increase. That is the explanation I was looking for.

Mr. FORAN: That fact seemed to be overlooked by Mr. Putman.

Mr. CHEVRIER: That is quite borne out by this statement. You see that in the increase in 1918, 1919, 1920, that is the time the highest increases were granted, and this statement bears it out.

By Mr. Bowman:

Q. Do I understand that this is about the scale of the increase in salaries throughout the public service?—A. I would say it is not a—since 1920 it is a fair representation of what the salaries are.

Q. It is quite enlightening if that is the case. Even after the boom in 1918, taking the first man on the list he gets a salary of $2,050, and then there is the increase which Mr. Foran says is authorized by a report.

Mr. FORAN: A general reclassification and regrading of salaries made in 1920.

Mr. BOWMAN: Coming along to 1919 and 1920, even after allowing $650 increase for that year, from 1919 to 1920, it increases to $4,320.

Mr. FORAN: As I pointed out, the duties and responsibilities may be increased. The reclassification of that particular position is the regrading of salaries.

Mr. ERNST: The individual to whom Mr. Bowman referred happens to be the head examiner now. He may not have been in 1920.

Mr. BOWMAN: It either indicates to me that the man was receiving too small a salary at the start or that he is now getting too much.

The WITNESS: I would suggest—1920-21—I want to read what the reason was for increasing the salary.

The CHAIRMAN: I can promise you if you put in a statement I will not have time to look at it.

Mr. BOWMAN: I would suggest that perhaps we might have a simple statement, more or less summarized, put in as brief a form as possible showing the comparative figures with other departments, because, frankly, if other departments are on the same basis it shows a tremendous increase in the salaries of the public service within the last ten years.

The CHAIRMAN: Even if that is true, it is not something that this Committee can deal with at this time.

Mr. BOWMAN: No, but it would be enlightening. As far as I am concerned I quite agree with the remark which I think was made by Mr. Ernst that there are many men on this list who should be paid higher salaries than they are getting. I agree with that; but it does show to me that they must have started in at a salary—a very, very low salary.

Mr. CHEVRIER: They all did.

Mr. BOWMAN: Some started at $1,280 and ran up to $2,100. Take the case of Mr. Foran, there is a great disparity there in the same years, Mr. Foran starts at a more reasonable salary.

Mr. FORAN: Yes, my salary went to $4,000 in 1908, 24 years ago.

Mr. BOWMAN: But it is the salaries of those who have apparently started in at a low figure and are now being paid considerably more in comparison with the initial salary which makes it look like a higher figure.

Mr. FORAN: You will find that condition in very department of government as the result of the adoption of the report to which I refer.

Mr. BOWMAN: My idea is that with respect to the Commission and the employees of the Commission that because of the position which they occupy in respect to the rest of the Civil Service they should have a little more efficient service. If they are going to supervise the work of some other department they must have qualifications that will permit them to do that, and you must get good men for that purpose. They should be paid proper salaries, and my own opinion is that the employees of the Commission should receive higher salaries than the employees in the same position throughout the departments of the government.

By the Chairman:

Q. Mr. Putman, when this return was filed some five or six weeks ago I made a rough computation one night and I see now that my figures were not quite accurate, and I may not be justified in drawing any conclusion from my computation. I took the first ten salaries at random on this list for the Civil Service Commission staff and then I took the first ten salaries at random in the departments and compared the ratio of increase from the date of the Malcolm committee report in 1925 to date, and as a result of that rough calculation I made then it appeared to me that the salaries of the staff of the Civil Service Commission had increased nearly 60 per cent more than the increases in the other departments. Now, am I correct in drawing that conclusion that that is a fact?—A. I do not think so, Mr. Chairman.

Q. In your opinion the increases in the Civil Service Commission, so far as salaries are concerned, are about on an equal ratio with the increases in the different departments?—A. I think so, yes. I think this way about it; if it were so, very much criticism would have been levelled at the Commission.

Q. Oh, but there has been?—A. About their salaries?

Q. We members on this Committee have heard nothing else but how much higher the staff of the Civil Service Commission is paid than the civil servants in other departments.

Mr. VALLANCE: And, in fact, we believe that that should be so because of the argument put up by Mr. Bowman—that they are efficiency experts. May I point out that if they are efficiency experts why it is that your Commissioners to-day are only getting $6,000 when the average Deputy Minister is getting $10,000?

Mr. BOWMAN: That is the point exactly. That is what I had in mind.

The WITNESS: There is one thing I do know, Mr. Lawson, and that is that the average salary of employees in the Civil Service Commission at Ottawa is lower than the average salary in other departments in Ottawa; that is taking the whole cut right across the whole service—the salaries are lower than they are in other departments.

Mr. BOWMAN: That is because the heads of your department are not on the same basis as the heads of the other departments.

The WITNESS: I think that is exclusive of the Civil Service Commissioners and the Deputy Ministers.

Mr. ERNST: You could not put the secretary at a salary higher than one of the Commissioners; you must scale the salaries down on that basis.

By the Chairman:

Q. I asked Mr. Black to come here this morning so that we might clear up this Yukon situation. Now, Mr. Putman, would you deal with that. You wanted to make some representations and you started in to make them yesterday and I had started to ask you questions?—A. I do not know that I particularly wanted to.

Q. I notice that there is considerable confusion on the record. If I can direct you to a head, the point I am interested in is this, and this is the only point I am interested in personally—the other members of the Committee can speak for themselves—Mr. Black made out before this Committee a *prima facie* case of the following: Namely, that civil servants in the Yukon who had been drawing a living allowance as well as salary and from whom 5 per cent of the living allowance had been deducted as well as 5 per cent of the salary should be superannuated on the basis of the salary plus the living allowance, because both were part of their compensation?—A. And the Commission, as regards employees presently in the Yukon, agreed exactly with that Mr. Black contended.

Q. Now, will you give us the evidence on that, because Mr. Black's submission here was that they did not agree with it; that they did agree with it in the case of one man, but they had not agreed with it in the case of other civil servants in the Yukon?—A. I can only read again that reference which I read yesterday.

Q. Would you get it. I say to you frankly that I looked it up and I could not make head or tail of what it referred to. That is the only point we are interested in?—A. Perhaps if I bring this file up to you you will see it.

Q. I will go down there, because I want to get this matter clear in my mind. Now, by a ruling of the Justice department to which Mr. Black referred, dated March 17, 1930, the Justice department in effect gives the opinion that where the living allowance is a fixed annual sum and not something to meet the high cost of living in any particular place, which must vary from time to time, it is part of the compensation, or, as Mr. Black pointed out superannuation is fixed on the basis of compensation. Following upon that ruling, for some reason unknown, on April 21st, 1931, the Justice department in reply to a letter from the member for the Yukon states the following—and I will have to leave it to the legal members of the Committee whether or not this is a distinction without a difference—they say: "Your letter of the 10th instant and the accompanying papers do seem to establish very clearly that the cost of living in the Yukon territory is considerably higher than at Ottawa and other Canadian cities, and this evidence affords strong support for the determination of the Civil Service Commission which evidently proceeded upon the view that the allowances granted to officials in the Yukon territory are granted to them, not by way of compensation in respect of the services performed by them, but to enable them to meet the abnormal cost of living in the remote districts in which their duties are required to be performed."

Now, if you can possibly reconcile that ruling—if one of the legal members of the Committee can possibly reconcile that ruling with the previous one, I would be very glad to have his assistance. Now, because of that letter of April 21, 1931, from the department of Justice a memorandum is prepared for the Civil Service Commission by the Organization Branch which contains *inter alia* the following: They state at first the classification of these different offices in the Yukon and divide the payment into salary and living allowance and then they have this paragraph:—

> This does not change the amount of payment that properly provides a living allowance which should not apply for superannuation purposes as it is provided on account of the high cost of living in the Yukon.

And in endorsing that memorandum the Commissioners have put on it the following:—

> While approving of the above recommendation, I am personally not in favour of disregarding the implied contract made with those employees from whose salary cheque there has been a deduction of 5 per cent from the living allowance to be accounted as a contribution to the superannuation fund; in my opinion the ruling of the Department of Justice should not affect the present emcumbent, but only apply to future appointments.

That is initialed W.J.R., J.E.T. and N. McT.

Mr. CHEVRIER: That is perfectly right. I agree with the first portion, absolutely so; although, in other portions, where the living allowance is given as fluctuating to meet the high cost of living there might be something in that, but certainly not when it is a fixed allowance to be added to the salary. I cannot see where the Justice department is right.

Mr. ERNST: As far as the situation is concerned, we are investigating the Civil Service Commission and the Civil Service administration, and the reason

for inconsistency does not lie with the Commission, according to that minute, but it lies apparently with Treasury Board.

Hon. Mr. BLACK: Yes, but the Chairman of your Committee has read a memorandum which is written on the edge of a file, and what evidence is there that anything was ever done about that? What happened to it; was it put down in the cellar?

The WITNESS: In the report regarding postmasters at White Horse and Dawson,

> postal clerk, Dawson: It is recommended that the compensation of this class, which is at present: annual: $2,520 to $2,640, be revised to read as follows: annual, $1,080 to $1,620; allowance: $1,020 for subsistence.

At the bottom it reads:—

> The above new rates are to apply to all future appointments to the above position.

Implying there that it would not apply to the present incumbent.

Mr. CHEVRIER: I do not think it should apply to the old ones, only to the new ones, because in my estimation the allowance given in the Yukon was not for the purpose of high cost of living for the present day but it was something to be perpetually added because of the abnormal conditions out there.

The WITNESS: That is perfectly true.

Mr. VALLANCE: If not you would compel the individual, when superannuated, to go out of the Yukon; he could not continue to live in the Yukon.

Hon. Mr. BLACK: No; they could not live there.

By Mr. MacInnis:

Q. Was that memorandum to Treasury Board?—A. Yes, to Treasury Board.

Q. And did the Commission not get a letter from the Treasury Board dated September 30th, 1931, disapproving of the Commission's suggestion?—A. We received the following letter from Treasury Board on the 14th of April, 1932.

Q. No. Is it not September 30th 1931. You will find it on reference No. 8? —A. This letter is in conection with another matter entirely.

Q. Was that in connection with the postmaster at Dawson?—A. No. This letter of September 30th is in connection with another matter entirely.

By the Chairman:

Q. Now, tell me, what was the date of the recommendation of the Commission for the payment of Mr. Mackenzie on the basis of salary plus allowance. —A. The recommendation of the Commission in connection with Mr. Mackenzie's superannuation was—

Q. What was the date of it?—A. May 14th, 1931.

Q. Now, my recollection is that the memorandum I had marked in respect of these postmasters and others, was April of the same year, was it not, in which the Commission endorses on it that personal note?—A. 4/8/31. The 4th of August.

Q. That is subsequent to the ruling in regard to Mr. Mackenzie?—A. Yes. I will read from the memorandum:—

> After perusing file, especially the communications passing between the Department of the Interior and the Department of Justice, as well as the memorandum of January 30th, 1931, to Mr. Cory and the latter's approval of the same; and after hearing the representations made to the Commissioners by Mr. Mackenzie at a Board meeting last week, I am disposed to honour the agreement made by the department with Mr. Mackenzie on the strength of which he accepted transfer to Ottawa in

1925, and make this a special case. I am therefore agreeable to include the living allowance of $3,000 as a part of the salary for superannuation purposes.

Signed W. J. R. and N. MacT.

Hon. Mr. BLACK: The Chairman referred to a reclassification of some officials in the Yukon. That was because up to that time some of the officials there had been paid a straight salary and others had been paid partly as salary and partly as living allowance.

The WITNESS: Yes.

Hon. Mr. BLACK: And in order to make them uniform and to be able to deduct from those salaries, you split up the right to retirement allowance on a proper basis. That was done, was it not?

The WITNESS: Yes.

Hon. Mr. BLACK: So that you could take something away from them. And in consequence of taking something away from them—

The WITNESS: So we could comply with the ruling of the department of Justice.

Hon. Mr. BLACK: Is that your interpretation of the ruling of the department of Justice?

The WITNESS: Yes.

The CHAIRMAN: In view, Mr. Black, of the letter of the department of Justice to you, which was not a ruling at all but which apparently was merely an extraneous expression of opinion having lost sight of the ruling which they had previously given.

Hon. Mr. BLACK: And had nothing to do with the Civil Service Commission.

The CHARMAN: Quite so. I do not know how they got it.

The WITNESS: It was sent to us by Mr. Edwards.

The CHAIRMAN: I can only say that if Mr. Edwards will sit down to-day or to-morrow and look over the different rulings he has given in connection with this matter and then substantiate that letter to Mr. Black which is of a later date, I should be very much surprised.

Hon. Mr. BLACK: Do you not consider the living allowance paid these people in the Yukon in the nature of a fixed sum of money?

The WITNESS: Yes. Fixed.

Hon. Mr. BLACK: It does not vary, does it?

The WITNESS: Perfectly true, it does not vary.

Hon. Mr. BLACK: Here we have this opinion of Mr. Edwards: "I am of opinion that in such a case. . . .". This is in regard to people who got a salary not less than $600—

> In such a case the "salary" of the civil servant is not "a stated annual salary at least $600" within the meaning of section 2 (*b*) (*i*), unless the living and residential allowances be in the nature of a fixed sum of money.

What more definite case of a fixed sum of money could you find than in these Yukon cases?

The WITNESS: Reading along with that this other opinion.

Hon. Mr. BLACK: Reading along with that this other opinion does not change it at all.

The WITNESS: It seems to me it does.

The CHAIRMAN: You can readily understand that a layman—

Hon. Mr. BLACK: A stupid man, not a layman.

The CHAIRMAN: You can readily understand that a man not trained as a lawyer would take the paragraph in the last letter of the Deputy Minister of Justice as meaning a ruling, which it really is not.

By the Chairman:

Q. Now, Mr. Putman, let me follow this up one step further. Would that memorandum of the Commission with their endorsation of their views upon it come before Treasury Board, or what went up to Treasury Board?—A. In connection with Mr. MacKenzie's case?

Q. No, no; in connection with these other cases?—A. What went to the Treasury Board was what I read to you.

Q. The memorandum with the Commissioners' endorsation upon it in which they state, "we do not think this should apply to the present incumbents of the office"?—A. Yes.

Q. That went to the Treasury Board?—A. Yes.

Hon. Mr. BLACK: Where is the letter sending it up? That is only in connection with two special cases. You never gave Treasury Board a general opinion upon which they could act in all these Yukon cases; you never undertook to undo the harm you were doing.

The WITNESS: Some of these cases have not gone out, and some have not been approved.

Hon. Mr. BLACK: Do you not know in the case of some of these men who are in office and have paid compensation on salary and living allowance that Treasury Board is refusing to accept contributions from them now on that part which is called living allowance?

The WITNESS: That is up to the Treasury Board; that is not up to the Commission.

Hon. Mr. BLACK: They are doing it on the Commission's mistaken interpretation of the Deputy Minister's opinion.

The WITNESS: The Treasury Board must interpret, of necessity, the ruling of the Justice Department the same way as the Commission have.

Hon. Mr. BLACK: Nobody knows that the Treasury Board have got the ruling of the Justice department; it went to the Civil Service Commission. The Civil Service Commission did that harm.

The WITNESS: No, sir.

The CHAIRMAN: Just recently I have been making a review for my information of what goes on in Treasury Board, and frankly, it seems to me that they exercise a maximum of judgment upon a minimum of information. That is one of the things that ought to be changed. Mr. Black, would it not meet the situation in the interest of all parties, unless the Committee were to recommend the reconsideration of this whole matter by Treasury Board on the basis that apparently there has been an injustice done as the result of a misinterpretation of the rulings of the Justice department plus a lack of information before the Treasury Board at the time of this decision.

Hon. Mr. BLACK: I would certainly appreciate very much indeed if the Committee could see its way clear to do that, because I am positive a gross injustice is being done these people, and most of them are due for retirement within a very short time.

The CHAIRMAN: Because of long service?

Hon. Mr. BLACK: Not necessarily because of long service; because they are cutting down the force in the department.

The CHAIRMAN: If it went back to Treasury Board, you could then show, by seeing Mr. Ronson, secretary of the Treasury Board, the so-called rulings of the Justice department and a memorandum expressing the views of the civil servants, and you could place your own memorandum as to any facts which you think should be brought before them.

Dr. ROCHE: Would you permit me just one question? If in my memorandum which I wrote myself, signed by my two colleagues, I say it should not apply to the present incumbents, would that meet the situation?

The CHAIRMAN: Yes.

Hon. Mr. BLACK: I think you need to go farther. I think you have misinterpreted the meaning of the Deputy Minister's of Justice's opinion, altogether.

Dr. ROCHE: Leaving that aside altogether, suppose the proposition which, by the way, was accepted in my office last July, by Mr. Black, that he would concentrate his effort in their interest on the members of the Treasury Board not to apply this ruling of the Minister of Justice, whether misinterpreted or not, upon the present incumbents. That was the advice I gave Mr. Black last July, which I thought he accepted, and he said he was going to see the members of the Treasury Board and the Prime Minister, and act upon that suggestion. Now, if that suggestion is acted upon, I am asking will it meet the situation, and then, have a new ruling applied as to future appointments. Because if that will meet the situation, our views are now before the Treasury Board in connection with the reclassification of postmasters at Dawson.

The CHAIRMAN: Does it answer your question in that way? I would think if they would deal with the question in so far as the present incumbents in the office are concerned, and then rectify what appears to be an injustice to the deceased postmaster's family, that the Civil Service Commission might very well reconsider the whole situation of classification with respect to those employees established in the future. If there is any further data or information which can be submitted, on which they might exercise some judgment, let them have it.

Dr. ROCHE: I informed Mr. Black, and I still adhere to it, that it is not fair, having an implied contract with the present incumbents, and this applies not only to the Yukon, but to the Trade Commissioners and to the Immigration representatives in Europe and other places; that it is not fair to them, to have those employees paying five per cent in good faith, to penalize them, and return to them their five per cent. I took that matter up personally with an official of the Justice department. I said, "What are you going to do about those who have already retired?" He said, "Well, you would have to let those go." I then said, "What about those who have been paying their five per cent." And he said, "I do not know, we will have to return their money."

Hon. Mr. BLACK: It will be just as fair to reduce, would it not, the pension or retirement allowances that you are paying retired people?

Dr. ROCHE: I quite agree that it is unfair to take away their rights from present incumbents who have paid 5 per cent and which has been accepted by the government and paid in good faith on the part of the employee. That is exactly the situation.

Committee adjourned until 3.30 p.m.

AFTERNOON SITTING

On resuming at 3.30 o'clock.

The CHAIRMAN: All right, gentlemen, let us get started. I want to get through to-day. Whom shall we hear next—Mr. Bland?

C. H. BLAND recalled.

By the Chairman:

Q. Now Mr. Bland, what would you like to submit for the windup?—A. Well, Mr. Chairman, if it is the windup, I would not submit anything.

Q. We are living in hopes it is the windup.—A. Have the Committee any questions they would prefer to ask me first, or would they like to have my few suggestions?

Q. I made some notes as I went along, but I think I have cleaned them up. I have asked you already in regard to oral examinations, and I do not think I have anything else. Has anyone a question he would like to ask Mr. Bland?

Mr. BOWMAN: Yes. I would like to ask him something.

Mr. CHEVRIER: I have nothing, Mr. Chairman.

By Mr. Bowman:

Q. Mr. Bland, have you made any study of the British system?—A. Yes, I have made some study of it, Mr. Bowman.

Q. Would you mind giving me just a word or two with respect to it?—A. Well, as far as the system of recruiting public servants is concerned, it is somewhat along the same lines as the system in Canada; that is, the competitive system is recognized as the basis, and somewhat the same methods are utilized in making the selection. By that I mean in the cases where written examinations are practicable and possible, they are used, and with them, or without them, are also used what we call oral examining boards and advisory examining boards, very much along the same lines as those that are utilized here.

Q. Then, with regard to the other branch.—A. The organization phase of it, that is, the question of establishment, is not handled by the Civil Service Commission itself in Great Britain. It is handled by the establishment branch under the direct control of the treasury.

Q. Would you care to express an opinion as to what you would think with respect to that suggestion, that the matter of salaries, classifications, promotions, and such matters as that he brought under the control of Treasury Board, subject, of course, to the suggestion made by Mr. Putman this morning that there be a proper independent organization set up to handle it.—A. My personal opinion is that matters affecting personnel, under which I would include promotions, and I think salaries and classifications, simply are really personnel questions for an independent agency.

Q. Those are money matters?—A. No, I would not call them money matters in the same sense as the other, Mr. Bowman. Perhaps I might start in this way. I think a distinction should be made between matters affecting persons and matters affecting expenditure as expenditure.

Q. Yes.—A. Ordinarily, it seems to me reasonable, that the treasury board, or the government itself, should have fairly complete control over the questions of pure expenditure. The question of personnel, I think, is best dealt with by an independent commission.

Q. Quite so; I quite agree.

By Mr. MacInnis:

Q. Do you think the organization branch could be put under the Auditor General?—A. That is an embarrassing question, Mr. MacInnis.

The CHAIRMAN: Anything could be done.

The WITNESS: If you ask me candidly, I would say it could be done, yes.

By Mr. MacInnis:

Q. What I had in mind, would it be feasible to do it?—A. I do not think it would be a wise suggestion, no.

Q. I thought of that, and I hesitated very much to let my ignorance be known by asking the question.—A. I do not think the functions are quite parallel, Mr. MacInnis. I think the Auditor General's functions, important as they are, are not exactly in the same field as the functions of reorganization, and I would rather defer to the opinion of the Commissioners or Mr. Putman in this regard. To my mind, they are not in the same field, and should not be placed under the same control.

By the Chairman:

Q. Mr. Bland, acting on the theory that sometimes a man is too close to a thing to see it clearly—He cannot get beyond the focusing point of his eye—I therefore want to ask you this question, in spite of Mr. Putman. Having regard to the fact that as matters stand now, the question of creating of positions, reclassification of salary gradings and so forth, go to Treasury Board where Treasury Board has really nothing before it other than the Commission recommendation. Would you consider it feasible, on any basis, to have the organization branch put under the Treasury Board in such a way that they would be a body of expert advisers to the Treasury Board in respect of proposals, reclassifications, creation of new positions, reorganization, etc.—A. Well, I would be inclined, Mr. Chairman, to make the same division as before. I think the Treasury Board should have the final control of expenditure, and I think the Treasury Board decisions should be based upon the best available information supplied to it. Questions of personnel I think should be handled separately by an independent agency rather than by the Treasury Board.

Q. Have you any ideas, or have you not had time to think about the matter, and do not care to express any opinion in the matter? That is to say, quite frankly, have you any idea as to how, in respect to matters of pure finance, such reorganization and so forth, the Organization Branch could be placed under the Treasury Board and made responsible to the Treasury Board to advise it, and to act as its adviser in respect to proposals for a reclassification, reorganization, etcetera?—A. Well, to my mind all possible information regarding large questions of expenditure should be placed before Treasury Board. I do not see why the information collected by the Organization Branch could not be placed before Treasury Board at the time its decision is being made.

Q. The difficulty now, Mr. Bland, is this: let me assume that a department desires certain reclassifications and it makes a submission to the Organization Branch, who, let us assume, are opposed to the proposal, but a majority of the Civil Service Commission are in favour of it. The Treasury Board has nothing before it except the joint recommendation, and the view of the Organization Branch is entirely lost before it ever gets to Treasury Board. That Organization Branch is not going to run around behind the backs of its superiors, the Commission, and give Treasury Board any advice.—A. No. There is no reason why the Treasury Board should not ask for the fullest possible advice on the subject, and it would be found available.

Q. Would you see any objection if the Organization Branch were asked to make a report with respect to any application for reclassification, re-organization, etc., direct to the Treasury Board?—A. Well, that is virtually the same thing as setting up a separate independent organization to deal with matters of classification and organization.

By Mr. Bowman:

Q. That would be subject to this weakness, that due to the fact that Treasury Board is composed of busy ministers of departments, they would not be able to investigate a matter of this kind in the way it should be.—A. I do not think Treasury Board can be expected to investigate in detail, or to particularize with the smaller things, but I do think that it does expect and rightly expects to control the larger questions of expenditure.

By the Chairman:

Q. I took the trouble last night to seek out a member of Treasury Board who tells me that any matter that comes before them contains practically nothing on which to base a judgment except the recommendations of one direction.—A. Well, I think—

Q. Should they not have before them a succinct memorandum of some kind, such as you prepare for the Civil Service Commissioners now in connection with the appointments to which would be appended a departmental application consisting of details in favour of the proposed scheme, the Organization Branch's report in connection with it, either for or against it, and then Treasury Board would have something on which it could pass a judgment, and if it was at all inclined to disagree with the succinct memorial it has some original material to which it can refer in order that it can come to a final independent conclusion.—A. I think it might work, Mr. Chairman, with large matters. I do not think it could possibly work with the smaller details. The Treasury Board, to my mind, is a body of too busy men to try to work through the multiplicity of detail in connection with the smaller matters of reclassification. If it is a large scheme of reorganization, yes. I think it would work, yes. But to handle the small matters, I do not think it could possibly work.

By Mr. Bowman:

Q. That is what I had in mind, sometime earlier to-day, when I suggested that this matter would not go direct to Treasury Board, it would go to some organization set up, responsible to Treasury Board, that would have the handling of those matters to which we are now referring, matters of classification, promotions.—A. Yes.

Q. And entirely separate from the matter of recruiting, the appointment of positions and so forth, which would, of course, be left under the control of the Civil Service Commission.—A. Well personally, Mr. Bowman, I think there is a very desirable line to draw for effective administration. That is, the line between expenditure, on the one hand, and the personnel of departments on the other. I think personnel is a matter which might better be left to an independent agency, such as the Civil Service Commission.

Q. When you say personnel, what is it?—A. I mean by that, recruiting, promotion, administration conditions and, I think, salary and classification.

Q. Salary and classification, why?—A. I think you would be subject to the possible danger of abuse if you did otherwise.

Q. What would there be left?—A. The question of re-organization.

Q. After all, at the present time, in any major re-organization, authority would have to come from the Government, either from Treasury Board or by direct action of Government.—A. I do not think you will ever effect major re-organization unless you have the actual backing of the Government.

Q. You have to have the backing of Government pretty well, the Government of the day, whoever the Government of the day is, has the first say. Supposing Government says to one of its departments, we want this department re-organized. Then, with that authority behind it and knowing that Government does mean business, the rest must co-operate, there will be greater co-operation between the department and the Civil Service Commission staff to get a proper re-organization.—A. Exactly.

Q. So I take it, the only matters that you are of the opinion should be submitted to or come under the control of Treasury Board, would be the matter of major organization.—A. Yes. I think in that case the backing of the Government—I use that word, perhaps it is not a particularly good word, I think you know what I mean—I think in such cases the backing and the power behind the movement must come from the Government.

Mr. ERNST: The motivating factor.

The WITNESS: All right, the motivating factor. I accept that word gratefully.

By Mr. Chevrier:

Q. Mr. Bland, do you know what the duties of the Treasury Board are?—A. In Canada?

Q. Yes.—A. I do not think I should care to give a definition of it.

Q. Should not they, using a wide term, pass upon the expenditures and the limitation of expenditures?—A. Yes.

Q. Now then, as I understand your position, it would be this: that the Commission through its various branches, would pass upon the personnel, that is, upon the advisability of meeting the department's wishes in increasing or decreasing the number of staff, but that the whole matter of expenditure should finally rest in the hands of the Treasury Board.—A. Yes, primarily.

Q. Supposing the Civil Service Commission happens to turn to a department often when the department' demands were given that they wanted to increase their staff, and made a recommendation to the Treasury Board, and the Treasury Board for matters best known to themselves, thought that the time was inexpedient to grant an outlay of money, then the difficulty there rests with them?—A. Exactly.

Q. Now then, with reference to the Civil Service Commission. Is there a Civil Service Act in England, an actual Act?—A. The service there is administered by a series of Orders in Council, and Treasury regulations.

The CHAIRMAN: I was going to say I would judge from my reading they have not a Civil Service Act. They have a whole series of Orders in Council.

Mr. CHEVRIER: I have them here.

The CHAIRMAN: They have certain well defined provisions as though they were statutory.

The WITNESS: Perhaps the Committee would find this useful: I have but recently received the report of the last Royal Commission on the British Civil Service. It has just come out, and it contains some very valuable information as to British conditions, which I think might be utilized here. I would be glad to place a copy on file if you care to have it.

The CHAIRMAN: We would be very glad to have it. That brings something to my mind. Is it not, generally speaking, a principle of the British Civil Service that all civil servants have to start in the lower grades, and then they are gradually promoted through the service?

The WITNESS: I am afraid I cannot agree with that, Mr. Chairman; it is rather the opposite there.

By the Chairman:

Q. I gained, I thought, through the reading of those Orders in Council, that a man may have to choose as to what branch of the service he would go in, but instead of plumping him in at the start as a clerk, grade 4, he must start in at the lowest grade, and gradually work up by promotion.—A. Partially that is the fact, Mr. Chairman. I think it might be better described this way; that the service in England, is, in reality, divided into two sections which might be called the upper storey and the lower storey, and that a man must begin at either the lower door or the upper door. He must not necessarily pass through the gradations of the lower storey before he can arrive at the upper storey. I want to refer to that later.

By Mr. Bowman:

Q. Arising out of that, Mr. Bland, have you any suggestion to offer with respect to bringing in to departments of the Government any particular class of people for the service?—A. Yes, I have a suggestion in that regard.

Q. Would you mind giving it, please?—A. Would you mind if I left that for the moment? It falls rather in the logical development of the remarks I had.

Mr. BOWMAN: All right.

By Mr. Ernst:

Q. As I understand your viewpoint, Mr. Bland, it is that questions with regard to appointments and classification and salaries are best dealt with by an independent Commission such as the Civil Service Commission of Canada?—A. Yes, I think so.

Q. But as far as the major organization is concerned, well, in practice it does not work out. -A. I think it can only work, Mr. Ernst, using your phrase, if it has behind it the motivating power of the Government of the day. As a matter of fact, I ought to apologize to Mr. Putman for talking about this, because this morning I suggested that he let me deal with questions of recruiting and now I am being asked questions on organization.

Q. I am asking merely for an expression of opinion. With reference to minor organizations, that is, as apart from classification and salary, for instance, take what was done in the National Defence department, something which is really minor, where it is just a branch of the department, is it not possible that the department ought to be able to deal with that fairly effectively itself?—A. I think in cases of that kind the best result can be produced by mutual cooperative work between the Commission and the department.

Q. Well, now, do you think that an Organization Branch of the Commission is necessary for cooperation with respect to minor organization in the department itself?—A. I think, in many such cases, the department has in mind a scheme of improvement, although in such cases very frequently improvements in that scheme of the department are suggested by the Organization Branch.

Q. But, in the main, do you not think a department can deal with that type of thing itself?—A In many cases I think it can, and does.

Q. And then when you come to the major reorganization it needs the motivating power of a Government?—A. I think so.

Q. And that will vary from time to time with governments and with economic conditions, as you realize?—A. I think more with economic conditions than with anything else.

Q. So that the use of an Organization Branch for major reorganization is going to be occasional rather than constant? -A. Yes. I think that, just as in industry, reorganization or efficiency methods, move, so to speak, in a curve. At times there is more necessity than at other times.

Q. Then why maintain an Organization Branch, as such, leaving out admitting the necessity, and maintain a branch of the Commission to deal with personnel; that is, to deal with classification and salaries; but when you come to the question of reorganization why maintain even a skeleton of a staff to deal with that in the Commission office? Why not, as the Government of the day feels it is necessary, or a department if it wants a major organization, simply go outside and recruit some expert firm to come in and do it, as has already been done?—A. I think there is this to be said, Mr. Ernst: I think it is most desirable that there should be kept, if you like, a skeleton organization that will keep the basic information available. To call in an outside organization without having any information of any kind placed before it would not be appreciated by that organization.

Q. I am merely searching for information. Do you think the matter of classification and salary would not be enough?—A. Well, apart from that, let me give you a case in point: I know from personal experience that Mr. Putman extends his field of information into a good many industrial concerns, and I think the information that he has obtained, and has had obtained for him, would be of considerable value to any organization, or any body conducting such a reorganization.

Mr. CHEVRIER: But not with outside experts?

By the Chairman:

Q. Assume, that for any particular purpose an outside expert is called in such as in the case we had detailed before us, or dealing with any major reorganization, surely the first thing he would have to do would be to go to Mr. Putnam and say: What have you got now? What is your organization; what is your experience as to how it has worked? Now, what is your idea?—A. That is very much my idea, Mr. Chairman.

Q. And then Mr. Putnam, as head of the Organization Branch, would have a knowledge of the scheme of reorganization in other departments than the one in which the particular expert at that moment wished to consider, which might be invaluable so as to correlate the different departments of the service?—A. Exactly.

Q. All right, Mr. Bland. Then would you let us have what you had in mind?—A. Originally, I had made notes as the hearings proceeded, and I intended to cover some of the points that had been raised with a view to explaining them perhaps a little more fully, but I think a good many of those cases have already been cleared up in the minds of the Committee, and it would simply be prolonging the session to refer to them again.

Q. Would you care to mention the points, Mr. Bland?—A. I have six points that I will mention, and I will be glad to have any questions on them. I am taking as a basis what I think is the basis accepted by the Committee, namely, that we are thinking of a system which will secure for the Government Service, not only qualified people, but the best available qualified people. That is the basis on which I am basing my remarks and the suggestions that I have to make. Some of them have been discussed with the Commissioners and the Secretary of the Commission; my intention was to recommend them to the Commissioners in any case, but I would like to have the support of the Committee for such of them as they deem desirable.

The first suggestion I had was, that in view of the continued discussion there has been on examinations outside of Ottawa, oral examinations, I think it is highly desirable that they should be conducted by travelling examiners from the central staff of the Commission. Such examiners would help in oral examinations; they would help in character investigations, or investigations of record; and while there may be some fear in the minds of the Committee that

the cost would be high. I do not think that is so. I think we could utilize some of the examiners we have at present and dispense with some, if a change should be decided on, and I think we would acquire better results if we had a few travelling examiners who would conduct this work outside of Ottawa.

Q. You said a few, Mr. Bland?—A. Well, two or three.

Q. Well, do you think it could be done with that, Mr. Bland?—A. I would start with that.

Q. You think you could function with two or three good examiners and thereby release those persons who are now used as examiners locally? And to the extent that you would save the fees that are now payable to them there would be that credit against the cost of these travelling examiners?—A. And the corresponding decrease in the work necessary at headquarters here.

Q. Yes, it would save you a lot of correspondence.—A. I think it would be possible to begin the work on that at present. Certainly we would not need to have as large a staff as last year.

By Mr. Bowman:

Q. You would start on a very limited basis?—A. Exactly, I would want to try it out first and develop it gradually and make it work, but I think it would work out if it were properly developed.

Q. Probably if some of those minor positions were taken out of operation of the Civil Service Act there might be a considerable necessity for less examinations?—A. Well, I will have a remark to make on that a little later if I may, Mr. Bowman.

The second point I had was this, that I believe that when examination reports are made for the Commission by departmental officers, it would aid greatly in saving time if these reports could be sent direct to the Commission, a copy, of course going to the department at the same time.

By the Chairman:

Q. I think we had that suggestion given by Dr. Roche.—A. Yes. The third point is one that you drew forth this morning, Mr. Chairman. I think the ratings on education and experience for minor positions might be made at the same time as the oral examination, from actual contact with the candidates rather than from the written statement of experience and education given on the application form.

The CHAIRMAN: I think we would all agree with that, Mr. Bland.

The WITNESS: The fourth point is, that I believe that if we had a system of travelling examiners we could secure information on one point that is not being satisfactorily covered at present, and by that I refer to the question of a more complete investigation as to the character and record of local employees.

Q. That is, you suggest that should be done by your travelling examiners?—A. Yes, at the time. Those four points have all reference to examinations.

The next point I had in mind was in connection with something that has been frequently referred to in the annual reports of the Commission. To my mind this Committee could perform a real service if it could emphasize it a little further, and the point to which I refer is the probationary period specified in the Civil Service Act. To my mind that probationary period is an essential feature of a good employment system. I think there are too many cases of round pegs being put in square holes and left there, because a department will not take the responsibility of reporting people who are not absolutely suitable, and I do not think any examination system, no matter what it be, can pick possibly in every case the people who are most suitable.

By Mr. Chevrier:

Q. You want everyone to come in who has been appointed on a probationary certificate and then the department forced to make a report on that employee? —A. Well, the situation, Mr. Chevrier, at present is this: he does come in on a period of probationary service, but as a matter of actual fact in very few cases is that period of probation utilized by the department. In other words, if a man comes in, in many cases they seem to take the stand that once he is in he is in for good.

Q. Even if the department within the six months makes a report as to whether he is efficient or not?—A. Exactly. And do it conscientiously.

Mr. CHEVRIER: I agree with you.

Mr. ERNST: That seems to be true of them all except the Auditor General.

By the Chairman:

Q. And in the case where a department, for a reason which appears as good and sufficient, the Commission desires that a man who is on probation should not be made permanent in that particular department, I presume it would be a necessary incidental to your system that that would not bar that man automatically from reappointment perhaps?—A. That is exactly the point I had in mind, Mr. Chairman. That man may be a round peg and he was given a square hole; he will not fit there, but probably we can find another place where he would fit.

The next suggestion I had to make was one which Mr. Bowman referred to a moment ago—and I am glad he brought it up because it is not exactly a popular suggestion, and I would sooner Mr. Bowman take the responsibility for it than myself.

The CHAIRMAN: I may tell you frankly, when the rest of them said "Oh, yes" to your first statement, that the desire was not only to get someone who had the merit, but who was the very best qualified of those available, I was going to finish up by asking you to tell me from the system you now have, or any you can suggest, whether you can tell that John Jones is going to be a better man to sweep a floor than Bill Smith.

The WITNESS: If you will take some of these suggestions I am putting before the Committee now, we will be in a better position to tell than we are at present. This point has to do with the principle of promotion, Mr. Chairman, and I am heartily in favour with the principle of promotion, but I do believe that in certain cases it may be overdone and abused. By that I mean this: If the entire service—outside of technical positions to which I am not referring for the moment—is to be recruited only from the lowest grades and the higher positions are to be continuously and completely filled by promotion, I think you are going to have a weakening in your structure, perhaps not for a few years, but in ten or fifteen years you will have a decided weakening.

Q. Unless you increase the qualifications required?—A. Even that, Mr. Chairman, would be an improvement. I mentioned a little while ago about the British system where there are, so to speak, two stories; an upper story for which the highest academic qualifications are required, and a lower story which is about similar to our present entrance grade. From 1908 to 1915 we had in Canada a somewhat similar system whereby appointment to the service was really by means of two grades,—a lower grade such as we have at present and a higher grade known as the second division. It had some benefits and some difficulties, and I am not suggesting that we should adopt completely the British system.

I think promotion should work to a certain extent too, but I do think, if we are going to keep up the standard of the service, particularly for executive positions, we must not only promote from the lower grades but bring in a modicum each year of material for executive and administrative positions.

By Mr. Ernst:

Q. I can quite see, Mr. Bland, that any system is open to abuse. It depends upon the integrity of the persons administering it. For instance, if you make it purely a promotional system and you get a minister who believes in some other system, he can easily work a very effective patronage system by bringing a man in from a lower position and shooting him on up through.

The CHAIRMAN: And Deputy Ministers can fool the Minister in respect to a lot of promotions by telling him a man has to speak six languages in order to fill a job whereas one language is all he needs.

The WITNESS: The suggestion I have to make is that there should be brought in each year, into the larger departments, the departments which are not technical, at least a few employees who will be capable of being trained for executive work. That has been the practice we have been working on for the last two or three years in two or three of the departments.

By Mr. Chairman:

Q. I rather had the idea that was done in all the departments, Mr. Bland? —A. No, I do not think it is, Mr. Chairman. I would like to see it done.

Q. I should say, with the possible exception of the Post Office department, where I understand it is practically all a promotion system?—A. I do not think it can be said to be done. Some of the departments are doing it and getting very good results from it, but I believe if it is done in a spirit of endeavour to secure the best interests of the service, both from the Commission point of view and the departmental pont of view, we will get good results from it.

By Mr. Chevrier:

Q. How would you arrange for it with the present system?—A. I think that each year—or perhaps every two or three years, a few specially chosen men should be brought into the larger departments, such as the Post Office department, men chosen specially not simply as letter carriers or postal helpers, but chosen with a background and with a training that would render it at least likely that they could be developed for executive work.

Q. Who would choose them?—A. I think they would be chosen by competitive examination. This is simply a supplement to the present system.

Q. There is a lot of good in that suggestion. I just wanted to know how it could be worked out?—A. For example, the department of Finance, a couple of years ago came to the conclusion that it would be a good thing to have a few of these young chaps brought in for appointment because of the obvious necessity of having many of its junior employees simply routine employees, and they asked the Commission to hold a competition. We held a competitive examination and had quite a number of applicants who were gradutes from the various universities. I think several of them were chosen who, I understand, are giving very excellent service to the satisfaction of the Department, and, I think, the betterment of the service in the future.

By the Chairman:

Q. The natural tendency of a department is to adhere strictly to a promotion system. I would assume that. That would seem to be human nature. —A. The pressure upon the department is to adhere to a promotion system. I

like the idea of promotion myself, so does any employee, but I think, looking at it from the broader point of view you must have at least a little of the other element coming in.

By Mr. Chevrier:

Q. Such a system might stop the line of promotion within the department. —A. You would be stopping it in certain cases.

Q. Oh, that is a bad system.—A. Not in many cases, but in some you would.

Q. The idea is all right, but I am in favour of the system of promotion, and if you are going to stop promotion, I will not be a party to it.

Mr. BOWMAN: This does not necessarily stop promotion.

The CHAIRMAN: The suggestion is not to stop promotion. The suggestion is, do not continue promotion to the ultimate so that it thereby deteriorates the system as a whole.

The WITNESS: Perhaps, Mr. Chevrier, if I put it in this way, that promotion will be carried on just as before, but instead of everybody coming in at the bottom some will come in a few steps further up.

Mr. BOWMAN: I think the Committee will give some serious consideration to the recommendation. I personally will.

The CHAIRMAN: So will I.

By Mr. Vallance:

Q. Mr. Bland, has there been difficulty in finding those executive heads under the system of promotion? Is that why you suggest it?—A. No, Mr. Vallance. I would not care to give that impression. The difficulty is, the promotion system has only been in operation for the last ten years, and this is not something that is existing at present. It is what I think will happen if we do not guard against it.

Mr. CHEVRIER: That will be a wonderful incentive to the younger generation who are now following University courses to join the service.

Mr. BOWMAN: Something along the line of Dr. Tory's idea.

By the Chairman:

Q. Just at the moment, Mr. Bland, as the Act now stands, is there anything to prevent the Civil Service Commission from doing this?—A. No, as a matter of fact.

Q. The department makes an application to fill a vacancy by promotion. Is there anything to prevent the Civil Service Commission from saying— We are going to open this as an open competition. Those in the department are open to enter the competition if they want to, as well as an outsider, but we may take in an outsider.—A. Oh, no, there is nothing in the Act to prevent us at all. As a matter of fact, the Commissioners are working on the idea in many cases, but if it was accepted by the Committee as a desirable principle it would be made easier for us.

By Mr. Chevrier:

Q. At present, in case of a promotion, there can be no outside competitor unless the department says there is no one in line for promotion?—A. Quite.

Q. So that settles it.

The CHAIRMAN: By Statute?

The WITNESS: Let me explain that. The Statute is just a little bit different and I think it opens the way quite satisfactorily for what we want to do. The Statute reads as follows:

49. Promotion is a change from one class to another class with a higher maximum compensation,...

This is the clause, Mr. Chevrier:

...and vacancies shall be filled as far as is consistent with the best interests of the Civil Service, by promotion.

By Mr. Chevrier:

Q. Quite right, but the fact remains, that unless there is no one in the department that is worthy of promotion, therefore, you throw it wide open.

The CHAIRMAN: Where is there anything in the Statute—

The WITNESS: In many cases the deputy—

The CHAIRMAN: Is there anything in the Statute to show that the deputy takes that position?

The WITNESS: As a matter of fact, it is not the deputy, it is the Commission. I think we would be able to get a good employment system if the Commission and the deputies would come together on this point.

Mr. MACINNIS: It is just a matter of stepping up the business content of the staff the same as you increase the butter fat content of milk by putting a little cream in it.

The WITNESS: That is the idea, Mr. MacInnis. I have only got one more statement, Mr. Chairman, and that is with reference to those lower grade positions, those minor positions which Mr. Bowman made reference to a few moments ago, and all I want to say in connection with them is this, that I hope in considering them the Committee will bear in mind that every Committee on Civil Service that has so far been convened, every Committee on Civil Service that has so far been held, has come to one conclusion in reference to the selection of employees for the Civil Service. The majority of the people throughout Canada have come to the same conclusion, and I want to put on record my own firm conviction in the matter, that appointments to the Civil Service whether in a minor or major capacity should be made under the merit system, and that to secure the best possible administration of the merit system we should mutually work together—departments, Commission, members of Parliament and the public—in making that system as efficient and effective as is humanly possible.

By Mr. Chevrier:

Q. How do you expect members of Parliament to work for it if they are barred from working with it?—A. They are not barred from approving of it.

By Mr. Ernst:

Q. What you mean is, you do not want any of the minor positions taken away from the Commission to start with?—A. What I mean is, Mr. Ernst, that I think that the best Civil Service can be obtained under a properly administered merit system; and I do not want any misunderstanding as to my feelings in the matter, because that is the product of my experience, and the product of the experience of everybody that has ever dealt with Civil Service.

By the Chairman:

Q. Well, now, Mr. Bland, on principle I think we all agree with you; but here is the thing I have in mind. Of course I will admit that I am usually a dissenter in most things. You want to engage three men to sweep the floors of the new Customs Building in the City of Toronto. Now, I ask you as a gentleman who has had some experience in this world and some general knowledge as well as your special qualifications, do you mean to tell me that it is neces-

sary to go through all this rating business of education and experience, of holding oral examinations and all that in order to get three men of sufficient merit and competence to sweep those floors?—A. Oh, no, I did not say that, Mr. Chairman. I said that in order to secure the best possible employees for work of that kind or any other kind, I think they can be selected under a properly administered merit system.

Q. All right. Now, what do you suggest instead of the present one for picking cleaners for the Customs House in the City of Toronto?—A. I have just given one suggestion that I think will govern that very suitably.

Q. Seriously, Mr. Bland, your suggestion is that that could all be very well handled by a travelling examiner?—A. I think it could, yes.

By Mr. Bowman:

Q. Well, you would hardly send a travelling examiner up from Ottawa to Victoria to appoint a caretaker for a public building out there, would you?—A. Oh, no; Mr. Bowman.

Mr. VALLANCE: I would like to know what the examiner's qualifications would have to be.

The CHAIRMAN: The essential one should be integrity.

The WITNESS: I agree with you, but the idea I had in travelling examiners was that we should have a small staff of probably two or three to begin with, with one operating in Eastern Canada, one in Western Canada and one in Central Canada. I think that would cover the scheme for the start, and as conditions change we would probably have to increase, or possibly diminish or move.

By Mr. Bowman:

Q. Do you not think, Mr. Bland, as a matter of fact, at the present time there is too much red tape and too much expense in connection with minor positions?—A. Of course I do. That is why I have made some of those suggestions, Mr. Bowman.

By the Chairman:

Q. Let me see how far the thing will go. They want to select a caretaker for an armoury, and the officer commanding the unit that uses that armoury, or if there is more than one, well the G. O. C. is responsible ultimately for all the equipment, and so forth, and he says, I want to pick the man that is going to take care of this if I am going to be responsible for it. How on earth can your examiner deal with that situation?—A. Well, Mr. Chairman, I referred to the comments of Mr. Desbarats once before, and I do not think I can do much better than to refer to them again; if that were always the condition, that the local Officer Commanding could pick the man, I do not know that I would have so much objection, but you know and I know that that is not always the situation.

By Mr. Bowman:

Q. No, but that is about as much of the situation as it is at the present time. —A. That has not been the experience that I have had, or that other investigators have found out, Mr. Bowman, no.

Mr. ERNST: I do not think Mr. Bland can dispel our ideas as to those minor positions.

Mr. BOWMAN: I think Mr. Bland has taken quite a proper attitude in so far as the Commission is concerned. We may have our own ideas with respect to it.

The CHAIRMAN: So may I, but I am anxious to be convinced, if anybody can do it, that it is necessary to have what I call this merit system in order to select a man to sweep a floor, clean a window, and that sort of thing.

The WITNESS: As a matter of fact, Mr. Chairman, these men are not selected under a competitive system. At present they are exempt.

Q. You say they are exempt?—A. They are exempt from the Civil Service Act.

Q. Take a caretaker, for example. I remember, Mr. Bland, in going through a file here, where one of your examiners solemnly in his memorandum set out that he was favouring John Jones for an appointment as a caretaker instead of Bill Smith because he thought it was very important that a caretaker should have a knowledge of heating and so forth, and this John Jones had been a fireman on the railroad for a number of years, so your examiner solemnly thought that that gave him a knowlege of heating a building?—A. I do not think that is an argument against the system, Mr. Chairman. That may be an argument against that particular case.

Q. As you said yourself a few moments ago, can a system be any better than the personnel of those comprising it, and you see the difficulties that arise in connection with those minor positions, that is what is bothering me.

By Mr. MacInnis:

Q. I had some complaints from some of the Civil Servants who were dismissed from the Interior department. They say that others have been taken in that did not come in through the Civil Service Commission but taken from other branches of the department. —A. Do I understand you rightly, Mr. MacInnis, that some employees who have been let out from the department of Interior were complaining that others have been taken on in the Interior Department?

Q. Yes, without coming through the Civil Service Commission.—A. Since that time?

Q. Yes, quite recently.—A. I do not know of any appointment that we have made to the department of the Interior since that time. Would it be a case of employees being transferred from one branch to another?

Q. From one branch. There were certain employees in a certain branch dismissed and then employees were taken from another branch.—A. Were they taken on from outside the service?

Q. Not from outside the service.—A. From some other branch of the service?

Q. Yes.—A. But they had not been selected originally from the Commission, is that the case?

Q. No, no; I would not say that they had not been selected originally by the Commission, but the Commission did not sanction the transfers. —A. I am afraid I cannot speak generally on that without knowing the case, Mr. MacInnis. I will be glad to secure the information for you, but these matters do not come through the Commission, and I do not think I could find it except by referring it to the department.

Mr. CHEVRIER: I would like to know very much, Mr. Bland, if there are any employees from another department that have been assigned to the Interior department to replace employees who have been laid off?

The WITNESS: I do not think that is the case, Mr. Chevrier.

Mr. MACINNIS: Other branches of the Interior?

Mr. CHEVRIER: Even at that it would be interesting to know why it was done

Mr. MACINNIS: I have received a great many complaints from people who were dismissed from the Interior department, claiming that other employees were brought in.

The WITNESS: If you could give me a typical case, Mr. MacInnis, I will be glad to look it up.

Mr. CHEVRIER: I will be very interested to know if that has been done.

The WITNESS: Mr. Chairman, is this my last appearance? If it is, I would like, on behalf of the staff of the Commission, to extend to you and to the members of the Committee our appreciation of the courtesy and the patience that has been shown us, and we hope if we have a Standing Committee next year that we will have the same personnel as this year.

The CHAIRMAN: We would say, Mr. Bland, it is mutual, with respect to all but the last sentence.

Mr. CHEVRIER: Mr. Chairman, I understand that there is another official of the Civil Service Commission whose name was mentioned a couple of times with reference to Treasury Board, and particularly this morning. I understand that Mr. Boutin wants to make a statement.

The CHAIRMAN: Is Mr. Boutin here?

Mr. BOUTIN: Yes, Mr. Chairman.

The CHAIRMAN: Would you like to make some statement to the Committee?

Mr. BOUTIN: It is unnecessary, Mr. Chairman. Mr. Putman read a statement dealing with the point I have in mind.

The CHAIRMAN: What about Dr. Roche? Do you want to add anything further, Doctor?

Dr. ROCHE: Well, Mr. Chairman, some little time back—

Mr. BOWMAN: Before you start, Dr. Roche, I asked Mr. Bland some time ago to let me have a rough idea as to what vacancies would occur, and what percentage of employees in the Civil Service, or rather what positions occupied by those employees would become vacant in the course of a year by natural causes, such as death, marriage, and so forth?

Mr. BLAND: I think the Clerk has the information, Mr. Bowman.

Mr. BOWMAN: I have not seen it.

Mr. BLAND: I had it prepared and sent up. I prepared a statement for the last seven years, the last three years showing month by month the vacancies that occurred.

The CHAIRMAN: Here it is, Mr. Bowman. Every member of the Committee has a copy of it.

Dr. ROCHE: I was going to say, Mr. Chairman, that a little time back, I, with the consent of my colleagues, asked the head of the Organization Branch, as well as the head of the Examination Branch, to keep tab on the evidence that was given before this Committee, and to note any particular portion of the evidence that should be commented upon by the Commission or members of the staff. We have left it largely in the hands of Mr. Putman and Mr. Bland, the chiefs of the two major branches of the Commission to do so. I have not prepared any statement. I am not going further than the recommendations which I made when I originally gave my evidence. I think the ground has been pretty well covered by both of those gentlemen, and unless the members of the Committee have some questions to ask me to supplement anything that may have been brought before the Committee, I do not know that I have any more recommendations to make.

By Mr. Chevrier:

Q. Then, without going through the evidence, Doctor, we may take it that the evidence pretty well represents—.—A. Of course, there are a number of minor things in which complaints, we thought, had been unfairly made, but we always have that; and we leave it to the Committee.

Q. You do not want to go into that?—A. No, I do not desire to delay the Committee at all.

The CHAIRMAN: Any questions of Dr. Roche, gentlemen?

Mr. CHEVRIER: No, not by me.

The CHAIRMAN: Just before you leave, Dr. Roche, I think, as Chairman of this Committee, I feel called upon to say to you that in all the files which I have examined, although I personally may not in every individual case have agreed with the judgment you exercised, I certainly have never found in one single file a case in which you had not the strongest, sound and reasonable grounds, in my opinion, behind any judgment you exercised. In all probability where we disagreed you were right and I was wrong; and I want to pay you the tribute here and now of having found you at all times, in my opinion, most seriously endeavouring to adhere to the principles of this Act and the regulations made thereunder.

Dr. ROCHE: I appreciate that statement, Mr. Chairman, very much, because it is oftentimes found that a man has to die in order to have justice done. I appreciate your testimony.

CHARLES H. BLAND, recalled.

By Mr. Bowman:

Q. In the memorandum, Mr. Bland, which has been prepared under the head of "Civil Service Commission, Number of Requisitions Received" you have set out for 1931, 1930 and 1924 to 1929, under the heading of Permanent, Seasonal and Temporary employees, and you are at the end giving the total number of requisitions. I see at the end of 1931—total requisitions, 2,383; and in 1930, 3,294; and 1929, 3,503, and so on. Is that the service all over Canada?—A. Yes, Mr. Bowman.

Q. Out of what total number of employees?—A. I might point out that the column you are reading refers only to requisitions for appointments to permanent office.

Q. And in addition to that you have new positions, in the next column?—A. Yes.

Q. I will not repeat the figures because we will place this statement on the record?—A. Yes.

Q. That is a total in 1931, including appointments to old positions and those to new, of 3,637?—A. Those are permanent positions.

Q. In 1930, 4,575?—A. Yes.

Q. What percentage would that be of the permanent positions that are under the control of the Commission?—A. Mr. Putman compiled this table and perhaps he could tell me the total number.

C. V. PUTMAN, recalled.

By Mr. Bowman:

Q. Can you say just roughly what it would be?—A. The total number of appointments is about 7½ per cent for 1931.

Q. What do you base that calculation on?—A. Approximately 50,000.

Q. And in 1930 it would be higher than that, would it not? Would you have 50,000 in permanent service?—A. Probably I had better make that about 40,000.

Q. So that it would be roughly around 10 per cent?—A. I have the figures here now. In 1931, 45,000.

Mr. BOWMAN: I suggest that this statement No. 7 be placed on the record, and also the statement to which Mr. Bland and Mr. Putman are now referring.

The CHAIRMAN: The Clerk of the Committee will have that done.

By Mr. Bowman:

Q. So that it would run around an average of what?—8 to 10 per cent?—A. A little bit less than that, I think. Ten per cent would be fair.

Q. So that, in the course of even a short period of two years, if the vacancies were not filled, a reorganization of any particular branch or a merger of branches, or an amalgamation could possibly be done without meaning throwing out of employment many of the Service, if these positions were left unfilled?—A. Most certainly.

The CHAIRMAN: Is there any seniority between the two commissioners, Dr. MacTavish and Mr. Tremblay? Were both of you appointed at the same time, or who is the senior?

Mr. TREMBLAY: Dr. MacTavish.

The CHAIRMAN: Dr. MacTavish, are there any further representations you desire to make to the committee?

Dr. MACTAVISH: Very briefly, sir.

Dr. NEWTON MACTAVISH, recalled.

Dr. MACTAVISH: Might I say, Mr. Chairman, while there are still a few encomiums left, that I quite agree with all that Mr. Bland said regarding the courtesy and I think, generally, the fairness of the Committee. I say that now, Mr. Chairman, because I might not have the strength to say it by the time I am through with this little statement.

Might I first ask that the young ladies who prepared this be called and sworn as to its accuracy?

By the Chairman:

Q. What is it, Doctor?—A. It is a statement of, I think, discrepancies in the report as to my absences that was made to the Committee.

Q. Is it in the form of figures?—A. Yes, it is a statement which they prepared.

I do not think the mistakes were made purposely; but I think the return leaves an erroneous impression. And I have a written statement with them.

Q. I want to see what it is first. May I get a copy of it? If it is a statement which is admissible, we will certainly have it. If it is evidence it has to be given orally?—A. It is merely in fairness to myself, Mr. Chairman. It is not, apart from myself, of any great consequence.

The CHAIRMAN: Wait until I see what it purports to be.

Mr. BOWMAN: How would it be, Mr. Chairman—

The WITNESS: I would just as soon leave it, Mr. Bowman.

Mr. BOWMAN: In the meantime, Mr. Chairman, while you are glancing over it, we might have Mr. Tremblay say what he has to say.

Dr. ROCHE: Mr. Tremblay has just left the room; and he told me to say, if he was called for, that he had no representations which he desired to make.

By Mr. Chevrier:

Q. Have you anybody who can swear to that statement, Dr. MacTavish?—A. I have the three young ladies who compiled it. I wish you would call them to swear to the contents of the memorandum.

Mr. ERNST: Of course we could not accept it just on their statement but will have to cross-examine them upon its accuracy.

Mr. CHEVRIER: If they come up and swear to it, they could say what it is and then the Committee may cross-examine them.

The WITNESS: I think that is all right.

By the Chairman:

Q. Who made it, Doctor? Somebody must have had charge of the making of it?—A. Miss Otter had charge of the making of it.

Miss JENNIE OTTER, recalled.

By the Chairman:

Q. Now, Miss Otter, I now show you a statement, page 1 of which shows the total numbers of Saturdays, Sundays and holidays from the year 1926 to March 30, 1932, computing Saturdays as half days, which you, along with the assistance of some other ladies, have made up?—A. Yes.

Q. And appended thereto is a typewritten copy of the working notes from which you made the computation which appears on page 1.—A. I think that should cover it.

Q. Is not that right?—A. Yes.

The CHAIRMAN: That will be recorded, but there is no necessity of putting in details on the other sheet. (See Appendix "P".)

By Mr. Ernst:

Q. I want to ask you one or two questions. You took a calendar and checked the dates?—A. Yes.

Q. And in order that there may be no misunderstanding—there was some difficulty yesterday as to the total number of days shown—what did you find it to be when you checked it?—A. I did not compare it with your figures.

Q. Did you make any total?—A. Yes, I have. Is not the total there?

Q. I want to see if there is any serious discrepancy. You have the totals of Saturdays and Sundays; have you a total of the number of days?—A. No. It is just for Dr. MacTavish's information. He wanted it prepared in that way.

Q. Yesterday Dr. MacTavish challenged the accuracy of our figures. I think his tabulation was 583 where mine was 726, and I afterwards made it 728. I want to know if you checked to find out whether your figure was correct?—A. Well, that was what I had in mind. I had no copies whatever on which to work until you gave me one. As a matter of fact, I had not seen a copy.

Q. Did you check it, Miss Otter?—A. I thought I explained to you yesterday that 585 days was Dr. MacTavish's own computation and figures and they were not the inclusive dates.

Q. We may accept 728 as substantially correct?—A. Yes.

Q. What you have done is to tabulate the Saturdays and Sundays and public holidays out of those 728 days?—A. Yes.

Q. And you find a certain number of Saturdays, Sundays and holidays in 1926, 1927, 1928, 1929, 1930, 1931 and 1932 in which Dr. MacTavish was absent?—A. Yes.

Q. They are shown in the inclusive dates?—A. Yes.

Q. Then, you make a calculation computing Saturdays as half days, and subtracting $93\frac{1}{2}$ days?—A. The reason for doing that is that it is our own computation. I think Dr. MacTavish asked that, did he not?

Q. Never mind what he asked?—A. It was under his direction that it was done. He asked that.

Q. Perhaps he will tell us what basis he used?—A. He said, "when you are computing that show me the deduction in that manner," and we have done so.

Mr. BOWMAN: I suppose he got paid for his half day on Saturday?

Mr. CHEVRIER: If everybody else was paid.

Mr. BOWMAN: What I see is 172½ days for Saturdays, Sundays and public holidays. Then, on official business, 174 absences. If that is proven there is no trouble about that.

Mr. MACTAVISH: I am afraid that was taken off by the Chairman.

The CHAIRMAN: I took that off because Miss Otter could not prove it.

Mr. CHEVRIER: Of course, we are at loggerheads and we cannot get along. Why have we not somebody who can prove the accuracy of the various statements that have been made—the various computations? Subject to what I say being stricken off the record if it is not permissible, the way I understand it is that Dr. MacTavish claims 172½ days for Saturdays, Sundays and public holidays. Then, subject to that second item being approved and established, official business 174 days. That will have to be established.

Mr. BOWMAN: I do not think you should place that on the record.

Mr. CHEVRIER: I said subject to its being established. Then he claims an extra 24 days. That will be 370 days. If you deduct 370 days from the 726 days that would leave 356 days to be accounted for, subject to the accounting of 174. That is 356 days. Then the doctor claims that the Saturdays and Sundays that he has taken off do not constitute a holiday for him, and that during the period of time he was also entitled to 180 days of annual leave, and he strikes that off leaving a balance of 176 days. Well, to that extent, it may look all right.

The CHAIRMAN: You see, if you treat Dr. Roche and Mr. Tremblay on the same basis then they were never absent a day at all.

Mr. VALLANCE: In fact, they worked some overtime.

Mr. ERNST: If the statement is acceptable, Commissioner Tremblay and Dr. Roche are each entitled to about a year and a half of leave with pay starting to-morrow.

Mr. CHEVRIER: Undoubtedly they would be entitled to the deduction of those Saturdays and Sundays.

Mr. ERNST: Each is entitled to a very substantial holiday.

The CHAIRMAN: Suppose we try to find out what the statement does really mean.

Mr. BOWMAN: As fas as I am concerned I am prepared to take the statement.

The WITNESS: I hope Mr. Chevrier is not inferring that that is my computation; it is not.

By Mr. Ernst:

Q. This statement marked No. 1 is your computation of Saturdays, Sundays and holidays?—A. Yes, including the dates on the statement you gave me, I am certifying to the best of my knowledge as to the correctness of the figures.

Q. So far I am prepared to accept it.

Mr. BOWMAN: It does not really add a great deal to what we have. We will simply form our own opinion in connection with it.

Mr. CHEVRIER: Supposing that the doctor could establish 174 days, could we not take the whole thing subject—

Mr. BOWMAN: I have no objection to accepting it.

Mr. ERNST: So far I am willing to accept it. 266 days which the doctor was shown as absent were either Saturdays or Sundays or holidays. Miss Otter swears to that, and I am willing to accept that without checking it.

Mr. MacInnis: Saturdays you will have to leave out of this because they were considered as whole days.

By Mr. Ernst:

Q. I was going to ask if they used any separate computation of Saturdays? —A. That is computed on instructions from Dr. MacTavish on his information.

Q. When you compute Saturdays as half days at the rate of 93½ days you mean that the total number of Saturdays would be 187?—A. Yes.

Q. One hundred and eighty-seven Saturdays out of 286 days?—A. Yes.

Mr. Bowman: It figures out exactly with the figures we put on file yesterday.

By Mr. Ernst:

Q. There were 79 Sundays or public holidays?—A. I was not questioning it.

Q. You gave 266 Saturdays, Sundays and holidays, and there were 187 Saturdays which leaves 79 Sundays and public holidays?—A. I haven't got the figures before me.

Q. I am taking your own figures.

By Mr. Bowman:

Q. I might point out a peculiar thing in connection with it, the figures balance exactly. Apparently, there is not a holiday in the whole thing?—A. Yes, there was in our computation. I think if you look you will see where we have indicated the holidays.

Q. Because the figures Miss Saunders gave yesterday were 79 Sundays and the figures you give now for Saturdays, are 187, and that makes exactly a total of 266. However, it is a minor matter and it does not make any difference.

By Mr. Ernst:

Q. There are one or two notations. I find Monday, March 7, present in office portion of day?—A. You will have to ask Dr. MacTavish.

Q. I think it should be stricken from the record?—A. I am speaking of the figures.

Q. There is another notation where he is shown as being absent March 16. You have the notation "attending committee"?—A. Dr. MacTavish's statement covers that period.

The Chairman: I do not think it is necessary to call the other ladies. Is there anything else?

Dr. MacTavish: I have a statement in the form of a memorandum.

The Chairman: Will you read it.

Dr. MacTavish, recalled.

The Witness: (Reads):

Memorandum

I have had a very careful analysis made by three competent employees of the Civil Service Commission of the document which Mr. Ernst was kind enough to lend to Miss Otter and which sets forth the days absent of the three Civil Service Commissioners from their offices during the period from July 2, 1926, to March 30, 1932. As a result of this analysis it has been revealed, according to the document herewith, that I personally have been charged with absence on 266 Saturdays, Sundays, and public holidays. This surely was an oversight. Instead of deducting the full 266 days the Saturdays have been counted in this document as half-days which reduces the number to 172½. Other deductions have been made on the usual Civil Service practice, because it

[Miss Jennie Otter.]
[Dr. N. MacTavish.]

appeared as if some members of the Select Special Parliamentary Committee did not seem to accept as satisfactory my statement of Thursday 28th instant, to the effect that the Commissioners had vested in them discretionary authority as to certain items such as holidays and sick leave. So that by following the usual Civil Service practice and making a computation of the number of days that I might reasonably claim to my credit, the result shows the total of 728½ days. According to the computation handed to the Committee my absences were set down as 726 days.

OTTAWA, April 29, 1932. NEWTON MACTAVISH.

Mr. BOWMAN: Will you please advise us how you arrived at 728½ days?

The WITNESS: The Saturdays, Sundays and public holidays. I have computed them to keep it right.

By Mr. Ernst:

Q. We have got that, 266 days?—A. I have computed that as 172½.

Q. The total of Saturdays, Sundays and holidays is 266, is it not?—A. I believe so. I have not that here.

Q. Of that number how many were Saturdays?—A. Well, the documents show—

Q. Taking your own document, 187 were Saturdays?—A. Probably. I have not the figures here. We will say 187. I think that is the figure.

Q. Which leaves you 79 Sundays and holidays?—A. I presume so, if that is correct.

Q. Well, if the Saturdays divided in two give you 93½, there must have been 187 Saturdays?—A. Yes.

Q. And if you take 187 away from 266 you have 79 left?—A. Yes.

Q. Is that correct? That is correct as a matter of arithmetic is it not?—A. I accept it as right.

Q. Then there were 79 Sundays and public holidays?—A. Yes.

Q. Why take 172½ to start with?—A. Because I know I am entitled to the Sundays.

Q. I am giving you the Sundays and Saturdays?—A. I am entitled also to the half Saturday.

Q. Do you not see this would not have been charged if you had been there the half Saturday?—A. I was not there. I am charging half a day.

Q. And therefore it must be chargeable?—A. After all, whether I was there or not the public offices of the Government are closed on Saturday afternoon.

Q. And if you are in your office a half day and you are down in the attendance book as being present on that day you are getting credit the other way?—A. Apparently not; none of these—

Q. Can you show us a single instance where you were present a half day?—A. I thought a moment ago you questioned that?

Q. I do question that very much. I would like to know the date where you say you were present and did not get the credit.

Mr. MACINNIS: If you are going to credit yourself with the half day you will have to debit yourself with the half day when you were credited with the full day on Saturday.

The WITNESS: I see it this way. If I were here on Saturday I would get credit for that half day; but this has been done on a Civil Service basis—not as a Civil Service Commissioner but as in the Civil Service. In that document I have been elevated to being a civil servant.

By Mr. Bowman:

Q. Are you not?—A. No, sir.

Q. What are you?—A. I am a Commissioner of the Civil Service.

Q. We can take our own opinions as regards Saturdays. In any event, the Civil Service get paid for a full day Saturday the same as any other day?—A. I presume so. Might I make this statement—please, Mr. Ernst—every civil servant is entitled and gets the half holiday on Saturday.

By Mr. Ernst:

Q. I am not disputing that. I am merely asking you whether as a matter of computation when you take credit as you are trying to do in this calculation for half of Saturday and only debiting yourself with the morning, whether you must not go through all the other days of the year when you are shown as being present and were actually only present half a day and charge them to yourself?—A. The other days are not the same.

Q. But they are, if you go there in the morning.

Mr. BOWMAN: The boot is on the other foot.

The WITNESS: I am entitled like all civil servants to a half day on Saturday.

Mr. ERNST: I did not say you were not. In order to make your calculation as you are making it, must you not go through the 313 days of the year, other than Saturdays, Sundays or public holidays, and find out if you were there all the day. The attendance book just shows you being present. But if you were not present all day, must not you charge yourself with a half day?—A. I do not agree with that.

Q. If not, how can you take credit for the half Saturday?—A. It is given to me. Everybody gets the half day.

By Mr. Bowman:

Q. Will you give your next figure?—A. The next figure is "travelling on official business, 174."

Mr. ERNST: How do you arrive at that?

The WITNESS: The documents that were presented and that Mr. MacInnis examined me on I think showed 174 days.

By Mr. Bowman:

Q. 174 days what?—A. On official business.

Q. Prove that?—A. The documents are all in the possession of the Committee to prove it.

Q. Just tell us what documents you want.—A. The travelling documents—5 days here and 10 days there and 2 days some place else.

Q. You mean the 174 days that are shown in this itemized account?—A. Yes. According to my computation they amount to 174 days.

Q. Now, what is your next item?—A. Holidays.

Q. Yes?—A. Holidays, one month a year.

Q. I thought you told us the other day you did not take any holidays?—A. I said that I went away on week-ends and I said I took—I might take holidays with discretionary power, but I thought that you did not agree with me so I am giving now what would be ordinarily accepted as holidays—what I would be entitled to.

Q. In addition to 172½ days that you are taking for half of Saturdays and Sundays you want something else?—A. Would not you?

Q. What do you want now?—A. I want the usual 30 day holiday a year.

Q. What do you figure that out to be?—A. 180 days.

Q. It is rather peculiar that the 172½ and 180 are pretty close together. According to your own calculations you are at least doubling up there. You have already taken credit to yourself for half a day on Saturday and for a whole day on Sunday amounting in all to 172½; is that correct; that is the first item on your account?—A. No, not in my opinion.

Q. That is what actually is the fact?—A. Do you mean to say I am not entitled to Sunday no matter where I spend it?

Q. Certainly you are entitled to Sunday, but now you are claiming it a second time?—A. I am charged in the document that Mr. Ernst lent to Miss Otter with the Saturdays absent from my office.

Q. We gave you credit for that yesterday—79. I put it on file myself. Now, you have already claimed in this statement extra credit for half of Saturday and Sundays and holidays amounting in all to a total of 172½ days?—A. Because they were charged against me.

Q. You are claiming the credit for them?—A. Yes.

Q. Now, you want 180 days more?—A. Those other items are acknowledged by anyone.

Q. You want 180 days more?—A. Yes. That is correct.

Q. What next?—A. The next item is, with a memorandum attached which I have here.

Q. Can you give us the details?—A. No. I have no details.

Q. You have no details?—A. No. That is the ordinary sick leave credited to anybody in the Civil Service.

The CHAIRMAN: You are not claiming that you were away those days ill. What you are claiming is that if you had been ill you would have been entitled to so many days for sick leave?

The WITNESS: What I am claiming is this, that Mr. Bowman yesterday, or it seemed to me, in accepting my statement that I had discretionary authority as to sick leave or absence, if I were sick to-day or to-morrow or the next day I would be sick without reporting it; I would not have to report it; and in not giving me that discretionary power, then I took the ordinary Civil Service practice and the statement here that I would be entitled during six years, roughly, to 108 days credit.

By the Chairman:

Q. So far as I am concerned, I do not care a hoot whether you had discretionary power or did not. Let us assume that you had discretionary power to stay away when you liked or to do as you pleased, the fact remains that you did stay away 728 days. Now, is not that a fact?—A. Well, if I say it is a fact—I was not in my office on those Sundays—no.

Q. Please. Just for a moment we will deal with Sundays. I want to be fair to you?—A. You have been quite fair.

Q. You were absent during the period in question 728 days from your office, were you not?—A. Yes.

Q. Included in those 728 days are 79 Sundays, are there not?—A. Seventy-nine seems to be the number.

Q. If we deduct the 79 Sundays from the 728 we have left what figure?

Mr. BOWMAN: 649.

The CHAIRMAN: 649 days absences from the Ottawa office have we not?

The WITNESS: Yes.

The CHAIRMAN: Now, included in that 649 are there any public holidays?

Mr. ERNST: They are in the 79.

By the Chairman:

Q. Then, Dr. MacTavish, the whole point is that there were 649 days on which you were absent from your office in Ottawa. Some of those may have been on public business or otherwise. That is what we do not know. If you can show that any particular number of them were on public business fine, let us have it?—A. I have said 174.

Q. Then, take 174 off that on public business.

Mr. BOWMAN: 475 days.

By the Chairman:

Q. On 475 working days you were absent from your Ottawa office, is that not a fact?—A. The only dispute as to that, Mr. Lawson, between you and me is the Saturday half holiday.

Q. Just leave that for a moment. Is it not a fact that you were absent from your office in Ottawa 475 working days?—A. Yes.

Q. Now, then, if I understand your contention in this statement, you say, "because Saturday is only a half day to work, if I were at my office in Ottawa, therefore I should only be charged with a half day's absence"?—A. Yes.

Q. You say, in addition to that, "I would be entitled to 30 statutory holidays in each particular year"?—A. I said holidays. I did not say statutory.

Q. Does not the statute provide for 30 days?

Mr. ERNST: For civil servants.

The CHAIRMAN: I am assuming for the purpose of holidays that he is a civil servant.

Mr. ERNST: He is not in one sense and in the other he is.

By the Chairman:

Q. Your first contention is that out of the 475 days that are left you should only be charged with half a day for Saturday because you would only work half a day if you were here?—A. Yes.

Q. Also, that you would be credited against that with 30 days statutory holidays in each year?—A. Yes.

Q. And your third claim is that if you had been ill on any of those days you are entitled to credit for a certain number of days leave of absence which you would have had under the Statute had you been ill, and which you say are 108?—A. I have 108 for six years to my credit whether I am ill or not.

By Mr. Bowman:

Q. I thought we had already definitely settled that question with respect to Civil Service employees. I asked one of the members myself, one of the witnesses, and I was told—A. Here is a document of the official of the Civil Service Commission who attends to the matter. Here is her statement.

Q. I asked definitely whether or not the civil servants were entitled to take sick leave without being sick and the answer we got was no?—A. But they have the credit; they get credit for sick leave.

Q. How do they get it, in cash?—A. It goes to them; it accumulates.

By Mr. Ernst:

Q. You are not claiming that you took it because you were sick?—A. I was sick a number of times. If you are sick you are away; but I do not come under that, unfortunately; but you would not give me any discretionary power as to sickness. I have been sick a number of times. I hope I do not get sick now.

Q. Out of the 108 days of sick leave to which you were entitled under the law—A. Here is the letter.

The CHAIRMAN: Oh, but Doctor, do you think that a letter from some lady who works for the Civil Service Commission over-weighs with us the specific provision of the Statute and the Regulations. Regulation 67 to which you subscribed as a Commissioner specifically provides—

The WITNESS: That is her business, looking after that.

The CHAIRMAN: It may be her business, but that does not say she knows more about the Statutes of this country than the Civil Service Commission or the Chairman of it who came here and told us what it was. Just listen a moment. Regulations 67, 69, 75 provide—

Mr. ERNST: In any event, a man takes sick and can charge for sick leave, but if he was not ill—

The WITNESS: That is not my contention at all Mr. Ernst.

By the Chairman:

Q. I was trying here to summarize this statement clearly, and then we are through with it. My last question was this, doctor: 108 days sick leave which you are saying should be credited to you resolves itself into this. You say if I have been sick for 108 days, I would be entitled to be absent without those days being charged up to me as absences.—A. No, I did not say that at all, Mr. Chairman. You said that.

Q. What did you say, Doctor?—A. I say this, I was sick on a number of occasions, I do not know how many, but 20—we might say 20 times. I kept no record of it, but I got no credit for the time I was sick.

Q. Why do you claim 108 days?—A. That is computation for my sick leave—roughly six years.

By Mr. Chevrier:

Q. Owing to the fact that you never charged up any time for sick leave, although you may have been ill 208 days or 100 days, but you never charged up any sick leave as against those 108 days, therefore you say that you ought to deduct the full amount because you never got any time off for being sick?—A. That is the practice when I am made a civil servant.

By Mr. Ernst:

Q. Then we find you have 30 days which you have been sick recently, reckoned in there.—A. That was taken in as absent, I find.

Q. It really was sick leave? You are putting it in as being sick. You are claiming credit for an extra 30 days as well?—A. It was charged up as being absent.

Q. You really had been ill, and if you deduct 108 days, how do you deduct 30?

Mr. CHEVRIER: Thirty days a year?

Mr. ERNST: No; in his computation of month to month. This year he has been away through a disabled arm.

Mr. CHEVRIER: I see.

By Mr. Chevrier:

Q. In addition to the 108 days he claims for sickness, he is claiming several extra days credit for this.—A. Mr. Ernst, all the time that I have been sick in this connection with this present ailment, I have been carrying on my business at my house. I have had my secretary and messenger come out there. I have as many as two secretaries in one day.

Q. You are entitled to that, doctor.—A. You are trying to say I should deduct that off the 108.

Q. No.—A. I misunderstood you.

By Mr. Bowman:

Q. These 108 days balance with the 728 you are charged with, which brings it down to 728. Is that how you got the 728?—A. The 108 days here are the ones that were coming to me. I asked the woman who is an expert in that particular department, and who does that business, to give me what I would be entitled to.

Q. What does happen is that it just balances, anyway?—A. Well, it might be a coincidence.

The CHAIRMAN: Have we not got the statement clearly in our minds? I am afraid the witness will not appreciate our viewpoint, anyway.

Mr. BOWMAN: Quite.

The CHAIRMAN: Go ahead, Doctor

The WITNESS: There is a special leave, 70 days; that is for various purposes, illness in the family.

By Mr. Bowman:

Q. Is that something else?—A. That is something fixed by the Civil Service Commission from time to time, special leave if one's family is ill.

By the Chairman:

Q. Let me see if I can set that out for you, doctor. Under the statute and regulations of the Civil Service Commission, a civil servant is entitled to be absent so many days annually by reasons of illness and so forth in his own particular family, and computing that number of days per annum for the number of days over which this computation such as the doctor has submitted, shows that he should be credited with 70 days.

Mr. ERNST: It is 160, Doctor, under special circumstances.

The CHAIRMAN: That is what I am talking about; no, 70 odd days. That sets out the position, does it not, Doctor?

The WITNESS: Yes. As against that, Mr. Chairman, you give me no credit of any kind for sickness either as to myself or my family in the record there of absences.

By Mr. Bowman:

Q. You claim there are more days in that connection?—A. Yes. I say I would be entitled to that as a civil servant.

Q. Anything else?—A. Yes; 24 days that were charged as to this present illness. That is all.

By the Chairman:

Q. Which 24 days are you charged with?—A. I am charged absent when I was carrying on my duties.

Q. What does that total?—A. The total of that one is $728\frac{1}{2}$.

Q. You came within a half day?

By Mr. Ernst:

Q. You have one half day coming to you?—A. No, $2\frac{1}{2}$.

Q. The correct total is 728 days. You have one-half day coming to you?—A. There is 726.

Q. No, 728.—A. I took the newspaper report; I must be wrong. I will get the half day to-morrow.

By Mr. Bowman:

Q. May I ask Dr. McTavish this question: Is this the way that calculations are made for the Civil Service staff; is that the way they get their holidays?—A. I had this calculation here, Mr. Bowman, made by the one who makes it, and the Chairman did not care to accept it.

Q. I am asking you if that is the basis upon which the civil servants of Canada, under your direction, as one of the Commissioners, are treated. Is that the way they are being treated?—A. If I was a civil servant, which this Committee has made me—

Mr. ERNST: No, it has not.

WITNESS: Yes, I am treated right there as a civil servant for this purpose, then it would be done that way.

By Mr. Bowman:

Q. In other words, on the basis of a service of five years and nine months, every civil servant in Canada would be entitled to a little over two years holidays and sick leave and absence from office? That is your statement, as one of the Commissioners.—A. I say that he has that to his credit; yes; it is an accumulated credit.

By the Chairman:

Q. You are quite sure that he has that to his credit?—A. This letter—

By Mr. Bowman:

Q. Then, he is entitled to that.—A. I did not say that; I say he has that to his credit.

Q. You as one of the Commissioners in charge of the Civil Service Act think it is quite a proper thing?—A. You yourself would not give me any discretionary power.

Q. I am asking you if you think it is a proper thing?—A. I do; it must be because it is the law. It is so; we must obey the law.

By Mr. Ernst:

Q. It could be taken at will; those two years could be taken at will?—A. No.

Q. They could be taken here and there, several weeks, weekends, and so forth?—A. They could only be taken when he is sick.

Q. No. You are reckoning holidays, and you can take a weekend and any civil servant could take a weekend when he likes, and charge it up to sickness?

The CHAIRMAN: Charge it to sickness.

Mr. ERNST: I am just asking you.

The WITNESS: If he can get a doctor's certificate, and satisfy his department.

By Mr. Ernst:

Q. We are not asking you for a doctor's certificate, Doctor; we are simply saying those 108 days you can just take it at will of a civil servant, when you want it, and then reckon it as a holiday. You can take it as holidays or sick leave, or anything else as you want it, and you can reckon it out on the number of years he has served?—A. Mr. Ernst, I do not follow you.

Q. Is that the situation?—A. You make it a civil servant, and every civil servant who took sick leave is a dishonest man?

Q. No, I do not think anything of the kind, Doctor.—A. I did not gather that—

Q. Any civil servant who is sick and takes sick leave is entitled to it?—A. Yes.

Q. And therefore I am asking you if you could take any days of the week, or any time through the year at will, and then at the end of the year reckon it up and say the statement will go in on that as holidays or sick leave— A. I have not said that at all.

Q. That is what you are trying to do with your computation.

By Mr. Bowman:

Q. According to your computation, Dr. Roche would be entitled to a year by reason of his five years and nine months service, and Tremblay would be entitled to a year's holidays and so on?—A. You were taking a month of the year—

Q. No, I am just— A. You are taking this sick leave as holidays.

Q. That is just what you are doing, is it not?—A. I am not taking them at all.

Q. You have not taken them?—A. No. I have never claimed to have taken them.

By the Chairman:

Q. Doctor, as against that you have been absent so many days, for which you say there should be some account taken. As against that, you say there should be a setoff for sick leave and special leave and statutory holidays; is not that it?—A. You do not give me any sick leave at all.

Mr. ERNST: You are giving yourself the maximum.

By the Chairman:

Q. Listen to the question that I am putting to you. You come here and give us your account—I am not censuring you for it. You come here and say because I am not given account for being absent so many days in the year, therefore I am entitled to a set-off as against that. You say there should be a set-off against that, due to the fact that I did not take my statutory holidays; that I did not take certain sick leave, and that I did not have special leave for sickness in the family. Is not that your position?—A. Yes, that is what I was after.

Q. Now, the moment that one of the members of this Committee asked you a question, surely if you are entitled to that, then your fellow Commissioners are, you say no; whereas it seems most reasonable.—A. No, pardon me. I do not think I said that.

Q. That was the fact, and that was your answer.—A. No, I was not allowed to finish my answer.

By Mr. Bowman:

Q. Let me ask you the question again. Figuring on that same basis, Dr. Roche would be entitled now, taking the last five years and nine months—A. Six years, roughly.

Q. —or six years. That is close enough. Dr. Roche would be entitled to a year and 159 days holidays.—A. 180 days.

Q. A year and 159 days on the same basis that you have shown.—A. I figure 30 days for 6 years, which is 180 days.

Q. Then he is entitled to the 108 you claim, is not he?—A. If he is sick and takes it, yes.

Q. If he is sick. But you were not sick?—A. I think Dr. Roche had more days than that for sickness.

Q. Dr. Roche's total absence during that period is 204 days.—A. Yes.

Q. Against your 728. He would be entitled to a year and 159 days and Commissioner Tremblay would be entitled to a year and 143 days.—A. I did not say that. Those 180 days that he would be entitled to would be for holidays, 180 days in the six years.

Q. Now, as a Commissioner, all those absences to which you have referred, are absences and leave to which all the civil servants of Canada are entitled as the law now stands.—A. No, I did not say that.

Q. Why are you entitled to it, if they are not?—A. The statutory leave authorizes it. There are some who have no statutory leave, but a month is the common period for one in my position.

Q. I beg your pardon?—A. For anyone in my position, a month is the common period. Some take more, and some take less; but a month is the common period for time off, annual leave.

Q. For a man in your position then, that would be correct?—A. Yes.

By Mr. Chevrier:

Q. As I understand your statement, I may be wrong, but as I understand it, insofar as holidays are concerned, you say that you were entitled to 180 days taken promiscuously during those six years outside of the Saturday afternoons and Sundays.—A. Well, if I may—

Q. Will you answer?—A. Yes, I mean to take that that way.

Mr. BOWMAN: For holidays, Mr. Chevrier?

Mr. CHEVRIER: Yes, for holidays.

By Mr. Chevrier:

Q. Then, you were entitled to 180 days taken promiscuously during those six years?—A. Yes.

Mr. ERNST: It is 180 working days?

Mr. CHEVRIER: Yes.

The WITNESS: Taken anyway, whether promiscuously or not.

By Mr. Chevrier:

Q. Secondly, you claim during those six years you were entitled to 108 days of sick leave, taken promiscuously?—A. No.

Q. What?—A. No.

Q. At any time you were ill.—A. Any time I was ill, yes.

Q. That is your submission?—A. Yes.

By Mr. Bowman:

Q. You have not proof of any illness for the 108 days?—A. You say no.

Q. I am asking you.—A. I have some proof of some days illness that I am not claiming for, as it is a credit I did not claim I was 108 days ill.

Q. Exactly.—A. This is my sick—

Q. In other words,—A. This is my sick leave credit.

Q. In other words, you differ from, I do not know whether Dr. Roche or Mr. Bland, in saying that a civil servant is not entitled to leave on account of illness unless they are actually ill.—A. Oh, no, I do not differ with them at all.

Q. You do not differ from them?—A. No.

Q. But you claimed the reverse of theirs?—A. No, I claim nothing that is not my due, as you have taken the stand that you won't accept discretionary power as to illness.

Q. I never heard of discretionary powers as to illness.—A. I can't explain it any other way. There is no way of my keeping tab. I as a Civil Service Commissioner, have nobody to report to if I am ill.

Q. There has apparently been a very good record kept of presences and absences. There is no reason why if you were ill something could not be made of it?—A. The record would show me absent but they would not show whether I was ill or not.

By Mr. Ernst:

Q. Were you ill, and when, is the question; not 108 days? How many days were you ill?—A. I am not claiming any days of illness. I had days of illness but I do not claim them.

By Mr. Chevrier:

Q. You think you have been ill now and then?—A. Yes, I have.

Q. You say you are not claiming any days?—A. I said I did not claim them, and I am not claiming them now.

Q. You are not claiming any specific date?—A. No.

Q. Do you or do you not claim out of those 108 days certain days you might, if you looked into the matter, find out that on those days you were ill?—A. I think that during those six years I would be ill a longer time than 108 days, according to my doctor's bills.

Mr. BOWMAN: According to your discretionary powers?

The WITNESS: Yes.

The CHAIRMAN: Dr. MacTavish gave me a list of files on which he was the dissenting member and which he thought should be brought to the attention of the Committee.

Dr. MACTAVISH: I said if you wished to. I am frank in saying I do not wish them brought unless you wish it. I said they were files in which I have dissented.

The CHAIRMAN: Yes, and I have had a chance to read two or three of them, and I was going to put on record the reasons for your dissenting and so forth, because I thought from the fact that you have handed me this list and suggested I should look into your dissents that it was possibly with the feeling on your part that there had been a selection of files used before this Committee in which Dr. Roche had been the dissenting party.

WITNESS: It was not an ill feeling.

The CHAIRMAN: I did not say it was an ill feeling.

WITNESS: I know, but I wanted to say that. I said it seemed to be a singular fact.

The CHAIRMAN: So far as I was concerned I said to the Committee that the only reason I had picked out any particular files out of the great number I had read was because I thought the reasoning behind the decisions was, to adopt your words, rather singular. Now, before we close up I want to put on record here a couple of the files I have been able to go through as to Dr. MacTavish's reasons for dissenting in these cases. The first case I have looked into is one regarding counsel for the Board of Grain Commissioners at Winnipeg, Manitoba. This is file No. T & C—GC2-3068. This had to do with the matter of the temporary appointment of a solicitor to the Board of Grain Commissioners. He had been appointed on the request of the department by the Civil Service Commission. And on December 28th, 1931, the question for decision seemed to be a determination as to whether or not his temporary employment should be continued by the issue of another certificate without there being for that time open competition. The memorandum does not appear to be initialed by any of your examiners. It says "Chief, Organization Branch". Then there is CRM. That would be one of the investigators. The memorandum is:

> On recommendation of the Civil Service Commission the temporary appointment under section 40 of the Civil Service Act of Mr. Edmond L. Taylor as counsel of the Board of Grain Commissioners at $5,000 per

annum was authorized for a period of six months from August 1st, 1931, under authority of order-in-council P.C. 298/2188 of September 10th, 1931.

The Civil Service Commissioners on August 12th, 1931, directed in this case that, in case of extension beyond six months, the continuance of the temporary position to be authorized, and if the position is to be of indeterminate duration, that it be advertised.

This office is now in receipt of a request for the extension of temporary certificate in above connection for a period of six months from February 1st, 1932, it evidently being the desire of the department that the appointment of Mr. Taylor be extended by Order in Council for a further period of six months.

The department advises regarding the possible duration of the employment of Mr. Taylor that they are not at the present in a position to furnish definite information. See letter of December 23rd hereunder.

May instructions be received, please.

The letter of December 23rd referred to is a letter from the Deputy Minister of Trade and Commerce to the Secretary of the Civil Service Commission as follows:—

I have your letter of the 22nd instant and in reply beg to say that at the moment I cannot furnish definite information regarding the probable duration of the employment of Mr. Taylor.

Matters have been cropping up from time to time which require his attention, and more especially now that the ten-cent wheat bonus is being paid, many legal questions regarding the ownership of the wheat grown, etc., are having his attention. I would suggest if possible that the Civil Service Commission extend the certificate for another 6 months when the matter may then be given further consideration.

In respect of that subject matter, the desire of the majority is, "if temporary appointment is authorized by Council, I approve of six months' extension, but this will be the last extension in so far as I am concerned." That is initialed by J.E.T., and I do not know whether these are Dr. Roche's initials or not. I cannot tell them.

Dr. ROCHE: W.J.R.?

The CHAIRMAN: I do not know.

Dr. ROCHE: That is unusual. I write a pretty good hand.

The CHAIRMAN: Up on the margin Dr. Roche has written, "approved on this condition W.J.R." Mr. MacTavish dissents saying, "see my decision of August 12, 1931." Now, on August 12, 1931—that was approximately at the time of the appointment—what happens is this. This is a memorandum:

"Re appointment of E. L. Taylor, K.C., under section 40, Civil Service Act. Apparently the Minister wants this appointment to be proceeded with. If my colleagues are agreeable to acquiesce in the appointment under modified terms, I would suggest that it be made under Section 40 of the Act, with the condition that it will be for a term of six months, and in case of extension beyond six months, the continuance of the temporary position to be authorized by Council. And if the position is to be of indeterminate duration, that it be advertised."

This is initialled by W.J.R. and J.E.T. Dr. MacTavish has written:

"If any such amount as is suggested is to be paid for this position, it should be advertised now. . . ."

From the file it would appear that there was some discussion as to whether this position should be $5,000 or $6,000 a year or $7,500 a year. I cannot see where that phase of it was settled, although they are paying him temporarily on a $5,000 basis, apparently. Continuing Dr. MacTavish's memorandum:—

". . . be advertised now as it should have been when the suggestion of employing Mr. Taylor first came up."

And then Dr. MacTavish, in the last decision in which he dissents consistently adheres to his former dissenting judgment.

Now, the other case I had time to look into—

Mr. BOWMAN: Is there anything particular in the other case. I am quite willing to consider these cases.

The CHAIRMAN: I am very anxious that no impression should go abroad that any suggestion made should not be looked into.

Mr. VALLANCE: Was that temporary appointment advertised at all—that of Mr. Taylor?

The CHAIRMAN: No.

The WITNESS: I do not think so, no.

Mr. VALLANCE: It was made; he was created by Order in Council.

The WITNESS: Yes. The continuation of the temporary employment was.

The CHAIRMAN: I think, Mr. Vallance, the correct way to put it is this: He received the temporary appointment under Section 40 of the Civil Service Act for a period of six months. The Civil Service said that if this position is to be continued longer than this it must be authorized by Order in Council. Whereupon, by majority judgment of the Commission an Order in Council having been passed for the six months, they then issued another temporary certificate for another six months.

The WITNESS: Would it be in order for me to make a remark? I might say that my objection was largely as to the salary attached.

The CHAIRMAN: That is quite apparent. It is a perfectly proper dissenting judgment, Doctor. I am not criticizing you. Now, the next file I had time to go through is rather a lengthy one and I think I can pretty well epitomize it. It is in connection with the appointment of a caretaker, grade 2, department of National Defence, Saskatoon, Saskatchewan. A number of candidates made application, and the candidates were given a rating for education and experience, and also submitted to an oral examination. As the result of the rating and oral examination a man by the name of Mr. Fraser ranked first in the oral examination, but not on the average when you added the rating to the oral examination, and a man by the name of Newman ranked first on the average of the two examinations—that is both oral and rating. Neither of these men was entitled to the disability preference, but both were entitled to the returned soldier preference under section 29 of the Act, and a third man by the name of King, who received a lower mark than the other two, both in the orals and in the rating for education and experience, was alleged by the department of Pensions and National Health to be entitled to the disability preference over the first two whom I have named because he had a slight stiffness of the neck as the result of overseas service. The Commissioners therefore, in the circumstances—there are records of two judgments with both of which Commissioner MacTavish dissents. The first one was for some reason which is not apparent from the file that a majority of the Commission were unwilling to accept the rating made by the Rating Board, because they said that ratings had been made by the oral examiners at the oral examinations as well as giving the oral examination. The memorandum is as follows:—

> I think the rating on education and experience given by the examiners to Messrs. Fraser and Newman and referred to in Mr. Morgan's memorandum attached is justifiable. Do the Commissioners, therefore, approve of the appointment of Mr. G. H. Newman, O.A.S., who secured the highest final rating.

[Dr. N. MacTavish.]

The CHAIRMAN: The majority judgment apparently written in Mr. Tremblay's handwriting, or is that Dr. Roche's?

> —as the Commission was represented at the oral examination, when experience was one of the factors, taken into consideration, I do not feel that we should reverse the order of merit. J.E.T.," and then approved by W.J.R.

Dr. MacTavish says, "see my former position, dissenting."

Now, his former decision was in respect to whether the rating given by the oral examiner had precedence over that given by the inspector on the rating board. That was with respect to the question of whether King, who was alleged to have the disability preference should not be appointed over Fraser or Newman, and the memorandum of Commissioner MacTavish and the judgment, I have just read are dated January 4, 1932.

And this is Mr. Bland's memorandum:

> In connection with the appointment of a caretaker at Saskatoon for the Department of National Defence, it will be noted from the report of the oral examiners that Messrs. C. E. Fraser and G. H. Newman, both OAS, were regarded as the most suitable candidates and received the highest oral ratings, 78·5 and 77·5 respectively. There are two OAS candidates, however, who claim the disability preference. One of these, Mr. W. J. King, with an oral rating of 72, is apparently regarded by the Department of Pensions as entitled to that preference. His name has accordingly been placed upon the eligible list for approval of the Commissioners, although it seems to me that this is another case in which the strict administration of the disability preference clause is not in the best interests of the service.

Now, the majority judgment is as follows:—

> I do not consider that either Mr. King or Mr. Brophy is entitled to disability preference. A slight stiffness of the neck should not prevent Mr. King from pursuing his pre war occupation, as turner and iron borer. Mr. Brophy states that G.S.W. left wrist does not affect it materially. I am therefore in favour of the appointment of Mr. Fraser, the highest rated.

That is initialled by J.E.T. and W.J.R. Commissioner MacTavish dissenting. His judgment is as follows:

> Mr. King says he has not been successfully re-established; that he is out of work, and the Department of P. and H. report that he is entitled to disability preference, I therefore approve of his appointment. N.MacT.

Now, these are the only two I have had time to go over. I will go through the others, and if I find anything that occurs to me that ought to be brought to the attention of the Committee I will do that, and if any other members of the Committee would like to go through the files they are placed at their disposal. Does that conclude our hearings?

Mr. BOWMAN: Is there anything further particularly that Dr. MacTavish wants brought before the Committee?

Dr. MACTAVISH: No, Mr. Bowman.

The CHAIRMAN: I just picked these two at random. I am not sure whether they were the two first, or the two last. All right, thank you, gentlemen. We will take it the oral evidence is concluded, and we shall meet on Monday morning at eleven, to consider our report.

APPENDIX "A"

EXAMINATION SCHEDULES AND WEIGHTS

Class	Written Examination	Rating on Education and Experience	Oral Examination
Assistant Migratory Bird Warden	6	—	4
Caretaker	—	3	7
Cleaner and Helper	—	3	7
Clerk of Works	—	3	7
Customs Excise Clerk	6	—	4
Customs Excise Enforcement Officer	6	—	4
Customs Excise Examiner	6	—	4
Customs Guard	—	3	7
Customs Truckman	—	3	7
Elevator Operator	—	3	7
Excise Tax Auditor	—	5	5
Fisheries Inspector	—	3	7
Graduate Nurse	—	3	7
Hospital Guard	—	3	7
Hospital Orderly	—	3	7
Immigration Guard	—	3	7
Immigration Inspector	6	—	4
Inspector of Construction	—	3	7
Inspector of Electricity and Gas	5	2	3
Inspector of Foods and Drugs	6	—	4
Inspector of Weights and Measures	6	—	4
Junior Fruit and Vegetable Inspector	—	5	5
Junior Trade Commissioner	4	2	4
Lay Inspector, Packing Plant	6	—	4
Letter Carrier	5	—	5
Lightkeeper	—	—	10
Limited Service Customs positions (under $600)	—	3	7
Mail Porter	5	—	5
Packer and Helper	—	3	7
Park Warden	—	3	7
Postal Chauffeur	5	—	5
Postal Clerk	5	—	5
Prison Guard	—	3	7
Stationary Engineer	—	3	7
Stock Car Inspector	—	5	5
Sub-Collector of Customs and Excise	6	—	4
Truckman	—	3	7
Watchman	—	3	7

APPENDIX "B"

NATIONAL RESEARCH COUNCIL

Classification and Salary Ranges Authorized in Connection with the National Research Laboratories

Title	Qualifications or Equivalent		Duties and Responsibilities	Salary Ranges and Annual Increments
	Degree	Professional Experience		
Director of the Department of Physics and Engineering Physics (or Industrial Chemistry or Economic Biology, etc.)	D. Sc. or Ph. D.	10 to 15 years	To direct and be responsible for all work undertaken in a major department of the National Research Laboratories (*i.e.* Departments of Industrial Chemistry; Physics and Engineering Physics; Economic Biology, etc.)	$6,500-8,000. The normal annual increment shall be $300.
Assistant Director	Ph. D	10 years	To direct and be responsible for an important division within a department of the laboratories.	$5,400-5,700-6,000.
Research Physicist (or Chemist or Biologist, etc.)	Ph.D	8 years	To be responsible for work on a research problem of major importance and difficulty, to supervise the work of assistants and when required to take charge of a minor branch of a division of the laboratories.	$4,400-4,600-4,800-5,000-5,200.
Associate Research Physicist (or Chemist or Biologist, etc.)	M. Sc	5 years	To undertake and be responsible for research work on problems of considerable importance and difficulty, and to supervise the work of subordinate research workers.	$3,480-3,660-3,840-4,020-4,200.
Assistant Research Physicist (or Chemist or Biologist, etc.)	M. Sc	2 years	To assist in researches of major importance and difficulty and when required to undertake assigned problems without close supervision.	$2,820-2,940-3,060-3,180-3,300.
Junior Research Physicist (or Chemist or Biologist, etc.)	M. Sc		To undertake researches on assigned problems, under the supervision of a senior officer.	$2,100-2,220-2,340-2,460-2,580-2,700.

APPENDIX "C"

STATEMENT SHOWING THE NUMBERS OF EMPLOYEES IN CLASSIFIED POSITIONS BY MAXIMUM SALARY OF CLASSES

1. This statement was compiled from figures obtained in 1929-30.

2. This statement shows only classified employees and is exclusive of rural postmasters.

3. The salaries shown are the maximum of the class in which the employee is classified and it does not mean that there were at this time actually the number of employees shown at the salary indicated, but that the employees would be at the salary shown had they reached the maximum of their class.

4. The percentages are as follows:—

	%
$1,020 or under	6·20
Over $1,020 up to and including $1,500	35·85
Over 1,500 " " 1,980	37·
Over 1,980 " " 3,000	15·65
Over 3,000 " " 4,020	3·65
Over 4,020 " " 5,040	1·35
Over 5,040	0·30
Under $2,000 per annum	79·05
Between $2,000 and $3,000	15·65
Over $3,000	5·30

Salary Rate	No.		
$ 210	95		
240	64		
270	80		
360	1		
420	92		
480	69		
600	5		
660	159		
720	6		
780	82		
840	4		
930	58		
960	106		
$1,020	1,324		
		2,145	6·20%
1,050	297		
1,080	309		
1,110	251		
1,140	410		
1,200	664		
1,260	671		
1,320	1,527		
1,380	3,598		
1,440	189		
1,500	4,457		
		12,373	35·85%
1,560	445		
1,620	1,776		
1,680	469		
1,740	5,203		
1,800	2,119		
1,860	606		
1,920	1,907		
1,980	186		
		12,711	37%

Salary Rate	No.		
2,040	588		
2,100	429		
2,160	612		
2,190	22		
2,220	432		
2,280	210		
2,340	84		
2,400	832		
2,460	149		
2,520	598		
2,580	75		
2,640	90		
2,700	391		
2,760	208		
2,820	35		
2,880	133		
2,940	26		
3,000	472		
		5,386	15·65%
3,060	3		
3,120	195		
3,180	11		
3,240	203		
3,300	102		
3,360	50		
3,420	113		
3,480	125		
3,540	22		
3,600	65		
3,660	4		
3,720	242		
3,780	13		
3,840	9		
3,900	26		
3,960	24		
4,020	50		
		1,257	3·65%

Salary Rate	No.		
4,080	88		
4,140	61		
4,200	10		
4,260	5		
4,320	50		
4,380	3		
4,440	15		
4,500	16		
4,560	2		
4,620	134		
4,680	8		
4,740	3		
4,800	11		
4,860	1		
4,920	45		
4,980	13		
5,040	2		
		467	1·35%

Salary Rate	No.		
5,100	6		
5,160	5		
5,220	4		
5,400	24		
5,520	3		
5,640	3		
5,700	12		
5,760	6		
5,880	1		
5,940	2		
6,000	11		
6,300	1		
6,540	1		
7,020	3		
7,200	1		
7,500	2		
		115	0·30%
Total	34,454	34,454	

APPENDIX "D"

THE PROFESSIONAL INSTITUTE OF THE CIVIL SERVICE OF CANADA

MEMORANDUM TO THE SELECT SPECIAL COMMITTEE ON CIVIL SERVICE AND CIVIL SERVICE ACT

March 31, 1932.

The Professional Institute of the Civil Service of Canada was formed in 1920 to promote the welfare of its members, to maintain high professional standards, and to enhance the usefulness of the service to the public. Our motto is "We Serve the State," and our aim, to serve it whole-heartedly and with the maximum of efficiency.

Our organization numbers some 1,300 members from all parts of Canada, embracing 33 professional groups as shown in the Appendix. Approximately 70 per cent of the professional and technical personnel of the Service is included.

The Professional Institute wishes to present the following points for the consideration of the Select Special Committee:

1. The Institute has always approved of, and supported the principle embodied in the Civil Service Act, and now wishes to reaffirm its unswerving belief in the merit system of appointments to and promotions in the Public Service.

2. We would strongly recommend more elasticity in the Civil Service Act, under proper safeguards, to enable officers to take leave of "absence with pay, or to accumulate holidays for the purpose of pursuing post-graduate studies or undertaking departmental research work at educational institutions. Such a policy would result in increasing the efficiency of the professional and technical men of the service, who would thus be enabled to keep abreast of progress.

3. We recommend that Sec. 13 of the Civil Service Act be amended to permit permanent appointments to be made at a higher rate of pay than the minimum of the class, where the public interest would be served to better advantage.

4. We believe in the principle that all promotions should carry with them an increase in salary which is frequently lacking owing to overlapping salary ranges. We recommend therefore that promotions should involve a stepping up to the next higher rate in the new salary class.

5. We strongly recommend the repeal of the Order-in-Council of 1871, which imposes the cost of removal expenses upon a civil servant accepting a promotion in another part of the country. It is our opinion that the public interest is unfavourably affected by this regulation.

6. We endorse the recommendation made by Dr. Roche that retiring leave be replaced by a gratuity, thus obviating the necessity of prolonged vacancies. (Minutes of Evidence, page 6).

"7. We recommend that Civil Service Regulation No. 73 be amended so as to permit retiring leave to be based on aggregate service instead of continuous service, as at present. This could be affected by substitution of the work "continually" for "continuously".

8. We view with disfavour the appointment of temporary employees to positions which are obviously permanent in character.

9. We favour the establishment of a permanent Parliamentary Committee on the Civil Service, as suggested by Mr. Foran in his evidence before this committee on Thursday, March 17th (Minutes of Evidence, page 94).

10. We realize that the present is not an opportune time to urge increases in classification, but we request that as soon as economic conditions permit, the recommendations of the Beatty Commission with regard to the technical and professional service be implemented. In the meantime the Civil Service Commission might be instructed to prepare for the adoption of these recommendations.

11. We consider that where the Civil Service Commission is aware of the existence of anomalies or discrepancies in the organization or classification of any department it should be incumbent upon the Commission to notify the department of the fact and to offer co-operation towards adjustment.

In conclusion, we would reiterate that it is the firm conviction of the Professional Institute that the matter of government appointments and promotions should remain in the hands of the Civil Service Commission according to the provisions of the Civil Service Act. We believe that the best interests of the public service would be served by continuing full responsibility in the Commission and by the establishment of the closest co-operation between the departments and the Commission, so that the deputy minister's intimate knowledge of his department may be utilized to the best advantage."

APPENDIX "E"

THE CANADIAN LEGION OF THE BRITISH EMPIRE SERVICE LEAGUE

DOMINION HEADQUARTERS SERVICE BUREAU, OTTAWA, CANADA

CIVIL SERVICE

1. *Merit System of Appointment:*

That The Canadian Legion of the British Empire Service League endorses the merit system of appointment to the Government Service, as set forth in the Civil Service Act.

2. *Statutory Preference to Ex-Service Men:*

Whereas the Parliament of Canada did by the provisions of Section 2 of Cap. 22 of the Statutes of 1921 provide a preference in employment in the Civil Service in respect of "persons who have been on active Military Service in the Military Forces, or who have served on the High Seas in sea-going ships of war in the Naval Forces of His Majesty, or of any of the Allies of His Majesty during the war."

And Whereas from time to time attacks have been made on such preference seeking by legislative amendment either to remove the preference or to limit its scope;

And Whereas if such preference was considered right as in 1921, no reason suggests itself at this date why the preference should now be withdrawn or modified particularly when the ex-service man finds it increasingly difficult to secure employment;

Therefore be it resolved that this Convention do protest most strongly against any alteration or modification in the preference now accorded and as granted by Parliament in 1921.

3. *Exempted positions:*

Be it resolved that The Canadian Legion emphatically protest against any further exemptions from the Civil Service Act, and urges upon Parliament the desirability of bringing the exempted positions again under the operation of the said Act.

4. *Rejection without Trial in the Position:*

That Section 24 (1) of The Civil Service Act should be amended so as to provide that no appointee shall be rejected without trial in the position, unless reasons satisfactory to the Civil Service Commission are forthcoming.

5. *Training Disabled Men for Positions in the Civil Service:*

Whereas by P.C. 214-1130 of the 28th June, 1928, the Governor General in Council made provision for the employment and training of disabled Veterans in the Civil Service of Canada.

And whereas it has been ruled by the Law Officers of the Crown that such Order in Council is *ultra vires;*

And whereas, if any scheme for employment of the handicapped Veterans is to succeed, it is highly desirable that the Government of Canada should set an example to other employers;

Therefore be it resolved that the Civil Service Act be so amended as to enable the Commission to give full effect to the remedial measures provided by the above mentioned Order in Council.

6. *Preference to Ex-Service Men during Lay-Offs:*

That ex-service men, particularly the disabled, shall be retained in employment in preference to others when compulsory retirements or lay-offs become necessary in any department of the Civil Service.

7. *Discharge of Civil Servants for Political Partisanship:*

That such provision shall be made as will provide that no ex-service man employed in the Civil Service of Canada, or in any Government position, shall be discharged from such service for alleged political partisanship without an investigation being first held and the fact of partisanship established by an independent Commission.

APPENDIX "F"

LIST OF RE-APPRAISALS

—	Date of Order in Council	Date of Position List	Date of Promotion Certificate
L. E. Beaulne, Clerk Grade 3 to Clerk Grade 4	20- 5-26	31- 5-26	31- 5-26
Miss A. Murphy, Typist Grade 2 to Clerk Grade 3	20- 5-26	31- 5-26	31- 5-26
L. Duhamel, Clerk Grade 2 to Clerk Grade 3	20- 5-26	7- 6-26	10- 6-26
M. P. Phelan, Top. Engineer to Surveys Engineer Grade 4	12-10-26	11-11-26	13-11-26
A. E. Attfield, Senior Topographical Engineer to Surveys Engineer Grade 3	12-10-26	11-11-26	13-11-26
A. Thomas, Senior Topographical Engineer to Surveys Engineer, Grade 3	12-10-26	11-11-26	13-11-26
Miss E. Kincaid, Stenographer Grade 3 to Clerk Grade 4	23- 9-26	13-10-26	18-10-26
R. Donaldson, Clerk Grade 3 to Clerk Grade 4	2-12-26	21-12-26	28-12 26
H. Sharpe, Clerk Grade 2 to Clerk Grade 3	2-12-26	21-12-26	28-12-26
B. Clarke, Clerk Grade 2 to Clerk Grade 3	2-12-26	21-12-26	28-12-26
R. H. Lovelock, Clerk Grade 2 to Clerk Grade 3	2-12-26	21-12-26	28-12-26
G. C. Anderson, Clerk Grade 2 to Clerk Grade 3	2-12-26	21-12-26	28-12-26
J. A. Copping, Clerk Grade 2 to Clerk Grade 3	2-12-26	21-12-26	28-12-26
E. Trew, Clerk Grade 2 to Clerk Grade 3	2-12-26	21-12-26	28-12-26
W. Wurtele, Clerk Grade 4 to Principal Clerk	2-12-26	21-12-26	28-12-26
D. C. Macdonald, Clerk Grade 4 to Principal Clerk	2-12-26	28-12-26	?
Miss M. Sturgeon, Clerk Grade 3 to Clerk Grade 4	21-12-26	?	?

APPENDIX "G"

EXTENSION CERTIFICATES OF TEMPORARY CARETAKERS' EMPLOYMENT

Dates of Requisition and of Civil Service Commission authority

14-7-2	A. N. Clarke	Brockville	29- 5-26	10- 6-26
14-134-10	C. Gaunt	Calgary	14- 6-26	28- 6-26
14-134-10	Thos. Girling	"	16- 7-26	24- 7-26
14-49-38	James Cobb	Vancouver	25- 8-26	9- 9-26
14-13-215	Victor E. Dickson	Montreal	9- 9-26	20- 9-26
14-19-17	Frank Hatcher	Victoria	5-10-26	21-10 26
14-19-17	A. L. Marchant	"	5-10-26	18-10-26
14-225-7	F. W. Budd	Lloydminster	11-10-26	20-10-26
6814-3-3	Chas. Bramhall	Toronto	19-10-26	4-11-26
6814-3-3	Thos. Yardley	"	19-10-26	3-11-26
14-181-4	W. A. Milner	Amherst	19-10-26	4-11-26
14-48-13	W. J. Fletcher	Dundas	30-11-26	10-12-26
14-6-35	W. B. Horsman	St. John	30-11-26	20-12-26
14-8-46	H. J. White	Toronto	30 11-26	13-12-26
14-179-2	Wm. Ingham	Strathroy	1-12-26	20-12-26
48-30-31	Andrew Heron	Calgary	9-12-26	3- 1-27
14-13-215	J. C. Noon	Montreal	10-12-26	3- 1-27
14-51-10	S. W. Bishop	Kamloops	10-12-26	3- 1-27
14-95-4	W. H. Huxtable	Oshawa	14-12-26	31-12-26
650-W-232	W. H. Wallace	Camp Borden	16-12-26	31-12-26
650-W-233	J. R. Wightman	"	16-12-26	31-12-26
14-67-6	Alfred Pichard	Levis	16-12-26	3- 1-27
14-413-3	C. G. Venning	Blackstock	17-12-26	3- 1-27
14-89-3	Alfred Bates	Lindsay	17-12-26	3- 1-27
14-7-2	A. N. Clark	Brockville	17-12-26	3- 1-27
14-144-4	Albert Beal	Orono	17-12-26	3- 1-27
14-28-8	Peter Macdonell	Alexandria	17-12-26	3- 1-27
14-80-6	E. H. Hammond	Pembroke	17-12-26	3- 1-27
14-183-6	Samuel Streight	Kemptville	17-12-26	3- 1-27
14-301-4	H. Chambers	Saskatoon	17-12-26	3- 1-27
9939 4-8	Miss A. V. Raven	Kingston	18-12-26	3- 1-27
14-392-3	Ernest E. Maidment	Renfrew	18-12-26	3- 1-27
48-46-31	D. J. Cavanagh	Regina	18-12-26	3- 1-27
14-324-5	M. A. Dawkins	Maple Creek	20-12-26	31-12-26
14-196-7	H. C. Monger	Moose Jaw	20-12-26	3- 1-27
144-1-23	Chas. Peachey	Regina	20-12-26	3- 1-27

APPENDIX "H"

H.Q.C. 3696

Name	Date of Order in Council	Date of Position List	Date of Promotion Certificate
F. Tremblay	16- 6-27	16- 7-27	21- 7-27
W. H. Connor	31-10-27	28-11-27	28-11-27
L. Cauchon	28-11-27	?	?
G. F. Withers	26- 9-27	19-10-27	20-10-27
Miss LaRochelle	31-10-27	28-11-27	28-11-27
B. Trottier	26- 9-27	10-11-27	15-11-27
G. Heal	31-10-27	28-11-27	28-11-27
I. Day	31-10-27	28-11-27	28-11-27
E. Carter	31-10-27	28-11-27	28-11-27
Miss Scott	31-10-27	28-11-27	28-11-27

APPENDIX "I"

FEBRUARY 14, 1928.

CIVIL SERVICE COMMISSION OF CANADA

To the Honourable, the Speaker of the House of Commons.

The Civil Service Commission, on the recommendation of the Honourable, the Speaker of the House of Commons, and as provided in Section 61 of the Civil Service Act, respectfully begs to report as follows in connection with the organization and classification of the members of the permanent staff of the House of Commons, and submits for favourable consideration and approval by Resolution of the House:

(1) As provided in Section 9 of the Civil Service Act, that the following establishment of positions be approved:

OFFICERS AND CLERKS OF THE HOUSE

Pos. Ref. No.	Class Title	Name
	Office of the Clerk of The House of Commons	
1	Clerk of the House of Commons	Beauchesne, Arthur.
2	Assistant Clerk of the House of Commons	Fraser, T. M.
3	Secretary to the Clerk of the House of Commons	Vacant.
	NOTE: Position No. 3 is a new position to provide for a Secretary to the Clerk of the House of Commons.	
	Law Branch	
6	Joint Law Clerk, House of Commons	Troop, A.G.
7	Joint Law Clerk, House of Commons	Ollivier, M.
8	Clerk, Grade 4	Barton, Miss M. J.
9	Stenographer, Grade 3, Law	Vacant.
	NOTE: Position No. 8 at present classified as Senior Law Clerk-Stenographer is being revised to Clerk, Grade 4. Position No. 9 is a new position to provide necessary additional stenographic help in the Law Branch.	
	Law Translation Branch	
15	Chief, Law Translation Branch	Paradis, O.
16	Parliamentary Translator	Ouimet, P. G.
17	Parliamentary Translator	Tremblay, U.
	General Translation Branch	
21	Chief, General Translation Branch	Arsenault, H. P.
22	Parliamentary Translator	Beauchamp, J. C.
23	Parliamentary Translator	deBellefeuille, L.
24	Parliamentary Translator	Carbonneau, C. H.
25	Parliamentary Translator	Chagnon, L. J.
26	Parliamentary Translator	Chartrand, J. A. P.
27	Parliamentary Translator	Chevrier, A.
28	Parliamentary Translator	Lachaîne, M.
29	Parliamentary Translator	Lavoie, J. M.
30	Parliamentary Translator	Terrien, J. G.
31	Parliamentary Translator	Vacant.
	NOTE: Position No. 23 Principal Translator, and positions No. 25 to 31 inclusive, are being reclassified as Parliamentary Translator in order to place all Translators on the House of Commons staff on the same footing.	

OFFICERS AND CLERKS OF THE HOUSE—*Continued*

Pos. Ref. No.	Class Title	Name
	Committees Branch	
40	Chief of Committees and Private Bills Branch	Todd, W.
41	Assistant Chief of Committees and Private Bills Branch	Cloutier, V.
42	Senior Committee Clerk	Dun, J. T.
43	Committee Clerk	Fraser, A. A.
44	Committee Clerk	Morris, E. L.
45	Committee Clerk	Boivin, G. M.
46	Committee Clerk	Dewar, H. D.
47	Clerk of Petitions	Dubé, W.
48	Clerk, Grade 3	Taschereau, E.
	NOTE: Position No. 48 is being changed from Clerk, Grade 2 to Clerk, Grade 3, as it is believed that the duties of this position warrant this higher classification.	
	Journals Branch	
55	Chief of English Journals	King, R. P.
56	Assistant Chief of English Journals	Boyce, C. W.
57	Head Clerk	Montgomery, T. R.
58	Chief of French Journals	Dansereau, L.
59	Assistant Chief of French Journals	Tremblay, J.
60	Clerk of Orders and Notices	Sherwood, H. C.
	NOTE: Position No. 57 is being changed from Principal Clerk to Head Clerk, the duties of the position warranting this higher classification.	
	Reporting Branch	
65	Editor of Debates and Chief of Reporting Branch	Simpson, Geo.
66	Associate Editor of Debates and Reporter	Young, E. C.
67	Parliamentary Reporter	Berryman, F.
68	Parliamentary Reporter	Buskard, W. W.
69	Parliamentary Reporter	Dickson, W. H.
70	Parliamentary Reporter	Galbraith, F. W. S.
71	Parliamentary Reporter	Hubbard, T. S.
72	Parliamentary Reporter	Johnston, M. F.
73	Parliamentary Reporter	Olivier, H. E.
74	Parliamentary Reporter and Senior Reporter of Committees	Blue, C. S.
75	Assistant Parliamentary Reporter	Sturgeon, R. C.
76	Assistant Parliamentary Reporter	Featherston, E. L.
77	Assistant Parliamentary Reporter	Vacant.
78	Associate Editor of Debates and Reporter	Gabard, M.
79	Parliamentary Reporter	Mackay, J. H.
	Hansard Translation Branch	
85	Chief, Hansard Translation Branch	Gérin, L.
86	Parliamentary Translator	Baril, J. W.
87	Parliamentary Translator	Beaubien, A. H.
88	Parliamentary Translator	Bernard, P. M. E.
89	Parliamentary Translator	Chevassu, J. P. A.
90	Parliamentary Translator	Cinq-Mars, A.
91	Parliamentary Translator	D'Astous, L. J.
92	Parliamentary Translator	Daviault, P.
93	Parliamentary Translator	Dumont, J.
94	Parliamentary Translator	Fauteux, E.
95	Parliamentary Translator	Keliher, J. T.
96	Parliamentary Translator	Gaston, W.
97	Parliamentary Translator	Girard, R.
98	Parliamentary Translator	Lemont, A.
99	Parliamentary Translator	Schenck, E.
100	Parliamentary Translator	Vallières, H.

OFFICERS AND CLERKS OF THE HOUSE—*Continued*

Pos. Ref. No.	Class Title	Name
	Accountant's Branch	
110	Chief Accountant, House of Commons	Cameron, D. W.
111	Departmental Accountant, Grade 2	Sherwood, B. W.
112	Clerk, Grade 3	Vacant.
	NOTE: Position No. 112 is being provided to give additional assistance in the Accountant's Branch, Classification of Clerk, Grade 3, being deemed warranted.	
	Stationery and Requisitions Branch	
116	Chief of Stationery and Requisitions Branch	Naubert, E.
117	Clerk, Grade 4	Vacant.
118	Clerk, Grade 2	Vacant
	NOTE: Two positions one of Clerk, Grade 4, and one of Clerk, Grade 2, are being provided in this Branch to give the necessary assistance to the Chief of the Division.	
	Stenographic Branch	
121	Chief of House of Commons Stenographic Branch	Smith, J. H.
122	Stenographer, Grade 3	Vacant.
123	Stenographer, Grade 3	Vacant.
	NOTE: Position No. 121 is being re-classified from Head Clerk as it is believed the duties of this position warrant the higher classification. Positions No. 122 and 123 are new positions to provide for necessary stenographic assistance.	
	Sessional Papers	
130	Clerk of Sessional Papers	Horton, A. E.
131	Clerk, Grade 4	Vacant.
	NOTE: A position of Clerk, Grade 4, is being provided in this Branch to give the necessary clerical assistance.	
	Postal Branch	
135	Postmaster, House of Commons	Lalonde, W. F. A.
136	Assistant Postmaster, House of Commons	Vacant.
	Reading Room	
140	Curator of Reading Room	Hugg, C.
141	Assistant Curator of Reading Room	Spencer, S.S.
142	Assistant Curator of Reading Room	Moreau, L. P.
	Parliamentary Distribution Office	
148	Chief of Parliamentary Distribution Office	Davidson, R. B.
149	Clerk, Grade 3	Gray, R.
150	Clerk, Grade 2	Vacant.
	NOTE: Position No. 149 is being regraded Clerk, Grade 3, from Clerk, Grade 2, as it is believed that the duties of this position warrant this higher classification.	

OFFICERS AND CLERKS OF THE HOUSE—*Concluded*

Pos. Ref. No.	Class Title	Name
	Sergeant-at-Arms	
1	Sergeant-at-Arms, House of Commons	Bowie, H. W.
2	Secretary, Sergeant-at-Arms, House of Commons	Vacant.
3	Chief Parliamentary Messenger and Housekeeper	Boudreault, Geo.
4	Assistant Chief Parliamentary Messenger, House of Commons	Vacant.
5	Confidential Messenger	Boulet, L.
6	Confidential Messenger	Fairnie, A.
7	Confidential Messenger	Vacant.
8	Chief Page	Fitzgerald, E.
9	Chief Page	Vacant.
10	Supervisor of Char Service, Parliament Buildings	Letourneau, O.
11	Supervisor of Char Service, Parliament Buildings	Vacant.
12	Parliamentary Doorkeeper	Holland, A. H.
13	Parliamentary Doorkeeper	Stewart, C.
14	Parliamentary Messenger	Fortin, L.
15	Parliamentary Messenger	Pepper, G. W.
16	Parliamentary Messenger	Pearson, A.
17	Chief of Protective Service	
18	Sergeant of Protective Service	
19	Sergeant of Protective Service	
20	Sergeant of Protective Service	
21	Sergeant of Protective Service	
22	Manager of the Joint Parliamentary Restaurant	George, C.
	NOTE: Positions 17, 18, 19, 20 and 21 are being provided to allow for the appointment of the Chief of Protective Service and Sergeants of Protective Service and it is also recommended by the Civil Service Commission that the Constables on this service also should be included in the establishment.	

(2) As provided in Section 12 of the Civil Service Act, that the following changes in classification be approved:

OFFICE OF THE CLERK OF THE HOUSE OF COMMONS

Secretary to the Clerk of the House of Commons

Compensation:
Annual: $2,040; $2,160; $2,280; $2,400; $2,520.
This is a new class.

LAW BRANCH

Joint Law Clerk, House of Commons

The compensation of this class which is at present:

Annual: $3,600; $3,780; $3,960; $4,140.
is to be revised to read as follows:

For position HC-C-6, the compensation shall be:
Annual: $3,720; $4,020; $4,320; $4,620.

For position HC-C-7, the compensation shall be:
Annual: $3,720; $4,020; $4,320; $4,440.

LAW TRANSLATION BRANCH

Chief of House Translation Branch

Title to be changed to

Chief, Law Translation Branch

GENERAL TRANSLATION BRANCH

Chief, General Translation Branch

Compensation:
Annual: $3,600; $3,780; $3,960; $4,140.
This is a new class.

COMMITTEES BRANCH

Chief of Committees and Private Bills Branch

The compensation of this class which is at present:

Annual: $3,600; $3,780; $3,960; $4,140

is to be revised to read as follows:

Annual: $3,600; $3,807; $3,960; $4,140; $4,320; $4,440.

Committee Clerk

The compensation of this class which is at present:

Annual: $1,920; $2,040; $2,160; $2,280; $2,400

is to be revised to read as follows:

Annual: $1,920; $2,040; $2,160; $2,280; $2,400; $2,520.

JOURNALS BRANCH

Chief of English Journals

The compensation of this class which is at present:
Annual: $3,600; $3,780; $3,960; $4,140.
is to be revised to read as follows:
Annual: $3,600; $3,780; $3,960; $4,140; $4,320; $4,440.

Clerk of Orders and Records

Title to be changed to

Clerk of Orders and Notices

The compensation of this class which is at present:
Annual: $1,920; $2,040; $2,160; $2,280; $2,400;
is to be revised to read as follows:
Annual: $2,100; $2,220; $2,340; $2,460; $2,580; $2,700.

REPORTING BRANCH

Assistant Parliamentary Reporter and Senior Reporter of Committees

Title to be changed to

Parliamentary Reporter and Senior Reporter of Committees

The compensation of this class which is at present:
Annual: $2,520; $2,640; $2,760; $2,880; $3,000;
is to be revised to read as follows:
Annual: $2,640; $2,760; $2,880; $3,000; $3,120; $3,240; $3,360; $3,480.

Assistant Parliamentary Reporter

The compensation of this class which is at present:
Annual: $2,160; $2,280; $2,400; $2,520;
is to be revised to read as follows:
Annual: $2,400; $2,520; $2,640; $2,760; $2,880; $3,000.

ACCOUNTANT'S BRANCH

Accountant and Chief of Branch, House of Commons

Title to be changed to

Chief Accountant, House of Commons

The compensation of this class which is at present:
Annual: $2,220; $2,340; $2,460; $2,580; $2,700; $2,820;
is to be revised to read as follows:
Annual: $2,700; $2,820; $2,940; $3,060; $3,120.

STATIONERY AND REQUISITIONS BRANCH

Chief of Stationery Division, House of Commons

Title to be changed to

Chief of Stationery and Requisitions Branch

STENOGRAPHIC BRANCH

Chief of House of Commons Stenographic Staff

Compensation:
Annual: $2,880; $3,000; $3,120; $3,240; $3,360; $3,480.
This is a new class.

SESSIONAL PAPERS

Chief of Sessional Papers

Title to be changed to

Clerk of Sessional Papers

The compensation of this class which is at present:
Annual: $2,520; $2,640; $2,760; $2,880; $3,000;

is to be revised to read as follows:
Annual: $2,520; $2,640; $2,760; $2,880; $3,000; $3,120; $3,240; $3,360.

POSTAL BRANCH

Postmaster, House of Commons

The compensation of this class which is at present:
Annual: $1,920; $2,040; $2,160; $2,220;
is to be revised to read as follows:
Annual: $1,920; $2,040; $2,160; $2,280; $2,400.

PARLIAMENTARY DISTRIBUTION OFFICE

Chief of Government Distribution Office
Title to be changed to
Chief of Parliamentary Distribution Office

SERGEANT-AT-ARMS BRANCH

Chief Parliamentary Messenger and Housekeeper

The compensation of this class which is at present:
Annual: $1,620; $1,680; $1,740; $1,800; $1,860; $1,920;
is to be revised to read as follows:
Annual: $1,740; $1,860; $1,980; $2,100; $2,220.

Assistant Chief Parliamentary Messenger, House of Commons

The compensation of this class which is at present:
Annual: $1,320; $1,380; $1,440; $1,500; $1,560;
is to be revised to read as follows:
Annual: $1,440; $1,560; $1,680.

Chief of Protective Service

Compensation:
Annual: $1,800; $1,920; $2,040; $2,100.
Allowance: Uniform.
This is a new class.

Sergeant of Protective Service

Compensation:
Annual: $1,380; $1,500; $1,620.
Allowance: Uniform.
This is a new class.

Constable, Protective Service

Compensation:
Annual: $1,320; $1,440.
Allowance: Uniform.
This is a new class.

MANAGER OF THE JOINT PARLIAMENTARY RESTAURANT

The compensation of this class which is at present:
Annual: $2,520; $2,640; $2,760; $2,820.
Allowance: Meals during sessions of Parliament.
is to be revised to read as follows:
Annual: $2,520; $2,640; $2,760; $2,880; $3,000; $3,060.
Allowance: Meals during sessions of Parliament.

It is recommended that the foregoing changes be made effective from April 1, 1927.

Respectfully submitted,
(Signed) "Rodolphe Lemieux,"
Speaker of the House of Commons.

"Newton MacTavish,"
Commissioner.
"J. Emile Tremblay,"
Commissioner.
10-2-28.

Approved by the House on May 11th, 1928.

(Signed) "Arthur Beauchesne,"
Clerk of the House.

APPENDIX "J"

NUMBERS AND SALARIES OF PERMANENT AND TEMPORARY EMPLOYEES IN THE CIVIL SERVICE, MARCH 1931

	Employees	Salaries for Month of March 1931
PERMANENT		
At Ottawa	8,009	$ 1,292,038 77
Outside Ottawa	24,706	3,429,435 19
	32,715	$ 4,721,473 96
Temporary		
At Ottawa	3,757	$ 344,293 61
Outside Ottawa	9,109	839,536 40
	12,866	$ 1,183,830 01
Total	45,581	$ 5,905,303 97

TOTAL EMPLOYEES AND SALARIES AT OTTAWA

PERMANENT	8,009	$ 1,292,038 77
TEMPORARY	3,757	344,293 61
	11,766	$ 1,636,332 38

TOTAL EMPLOYEES AND SALARIES OUTSIDE OTTAWA

PERMANENT	24,706	$ 3,429,433 19
TEMPORARY	9,109	839,536 40
	33,815	$ 4,268,971 59

NOTE: These figures do not include non-enumerated classes of employees, rural postmasters, casual labour, fees of office positions, etc., who received for March 1931, a total remuneration of $ 1,990,287 51

Total Expenditure on salaries for March, 1931	$ 5,905,303 97
Expenditure for non-enumerated classes	1,990,287 51
Total	$ 7,895,591 48

APPENDIX "K"

POSITIONS EXEMPTED FROM THE CIVIL SERVICE ACT

List of all positions exempted from the operation of the Civil Service Act, with authority for exemption:

1. Exemptions by Statute.
2. Exemptions authorized by Vote in Estimates, 1932-33.

I. EXEMPTIONS BY STATUTE

Commissioners or Members of any Royal or other Commission or Board.. Deputy Heads of Departments.	Section 58 of the Civil Service Act, Chapter 22, Revised Statutes 1927, exempts from appointment by the Civil Service Commission any Commissioner or other member of any Royal or other Commission or Board, or any Deputy Head. This includes the Civil Service Commissioners.
Employees on Government railways or ships of His Majesty.....	Section 57 of the Civil Service Act, Chapter 22, Revised Statutes 1927: "The provisions of this Act shall not apply to positions in connection with the Government Railways or any railway owned or controlled by His Majesty, or to any position on any ship of His Majesty, Until Parliament otherwise enacts."
Private Secretaries to the Ministers of the Crown.....	Chapter 38, 19-20 Geo. V.
Board of Audit Act: Board and staff.....	Chapter 32, 15-16 Geo. V.
Combines Investigation Act: Temporary employees.....	Chapter 9, 13-14 Geo. V.
Consolidated Revenue and Audit Act: Comptroller of the Treasury.....	Chapter 27, 21-22 Geo. V.
Election Act: Chief electoral officer and staff.....	Chapter 46, 10-11 Geo. V.
Department of Soldiers Civil Re-establishment.....	Chapter 67, 14-15 Geo. V.
Department of National Revenue Act: Appraisers Preventive Service....	Chapter 37, 18-19 Geo. V.
Department of Pensions and National Health.....	Chapter 39, 18-19 Geo. V.
Explosives Act, Inspectors.....	Chapter 31, 4- 5 Geo. V.
Farm Loan Board and Staff.....	Chapter 43, 17 Geo. V.
Farm and Unemployment Relief Bill.....	Chapter 58, 21-22 Geo. V.
Federal District Commission.....	Chapter 55, 17 Geo. V.
Grain Act: Appeal Inspectors.....	Chapter 33, 15-16 Geo. V.
Honorary Advisory Council Staff.....	Chapter 64, 14-15 Geo. V.
Research Council Act.....	Chapter 177, R.S. 1927.
Inspector General of Banks and Staff.....	Chapter 7, 14-15 Geo. V.
Pensions Act,	
Federal Appeal Board.....	Chapter 62, 13-14 Geo. V.
Amendment,	
Pension Tribunal, Pension Appeal Court, registrars, Pension Advocates, Chief Commission Counsel.....	Chapter 35, 20-21 Geo. V.
Royal Canadian Mounted Police.....	Chapter 91, R.S. 1906.

ELI/MCL
April 5, 1932.

2. POSITIONS EXEMPTED BY THE SUPPLY BILL

Exemptions provided in Estimates for the fiscal year 1932-33, "notwithstanding anything in the Civil Service Act."

—	Vote	Year
Finance—		
Loan and Bond Staff	1	1932-33
External Affairs:		
Legation Staff, Washington, U.S.A.	226	1932-33
" Paris, France	227	1932-33
" Tokyo, Japan	228	1932-33
Office of Canadian Advisory Officer, Geneva, Switzerland	229	1932-33
St. Lawrence Ship Canal Surveys and Investigators	269	1932-33
Tariff Board	248	1932-33
National Revenue:		
Preventive Service	277	1932-33
Taxation Branch		

ELI/MCL
April 5, 1932.

3. (List of positions excluded from the operation of the Civil Service Act under Section 59, on recommendation of the Civil Service Commission and approved by the Governor General in Council) with number and date of Order in Council:

A. General;
B. Staffs;
C. Classes (exempted entirely).

A. GENERAL EXEMPTIONS

On the recommendation of the Civil Service Commission, Orders in Council have been passed approving the following general exemptions of positions where the salary does not exceed $200 per annum and of positions of Postmaster in Revenue Post Offices where the revenue does not exceed $400. P.C. 1053, June 29, 1922, as amended by P.C. 17/1751, September 12, 1929. In addition to Rural Postmasters this includes such classes as:

Assistant Field Matron,
Climatological Observer,
Dispenser Indian Reserve,
River Observer,
Truant Officer, Indian Schools,
Weather Observer, Grade 1 Station.

Also all positions for which the compensation provided is fees of office and positions of an honourary character to which no compensation is attached. This includes the following:

Harbour Master,
Hay Inspector,
Measuring Surveyor of Shipping,
Port Warden,
Receiver of Wreck.

See Regulation numbers 1 and 6.

ELI/IG
March 12th, 1932.

B. STAFFS EXEMPTED UNDER SECTION 59 REVISED STATUTES 1927

The following staffs have been exempted on the recommendation of the Commission, approved by Order-in-Council:

—	O.-in-C.	Date	Regulation Number
Elevator Operating Staff, Board of Grain Commissioners	P.C. 2177	4- 9-20	12
Elevator Operating Staff, Government Grain Elevator, Prescott	P.C. 2004	23- 8-30	13
Soldiers Settlement Board and Staff	P.C. 370	21- 2-20	14
	P.C. 79/436 (13-3-29)	extended by O.C. to 21- 2-31	15
Taxation Branch, Department of Finance (Later exempted by Supply Bill)	P.C. 2420	17-12-23	16
Temporary Census Commissioners, and Census Enumerators for the Quinquennial Census, Prairie Provinces, 1926	P.C. 36/127	27- 1-26	17
Temporary Census Commissioners and Census Enumerators, Dominion Census, 1931	P.C. 219/2289	1-10-30	18

ELLIG
March 12, 1932.

C.—Positions exempted from the Civil Service Act under Section 59 of the Act—By Order-in-Council on the recommendation of the Civil Service Commission

IN WHOLE

Classes	P.C.	Date	Regulation
Armature Winder	1053	29- 6-22	1
Assistant Carpenter Foreman	1053	29- 6-22	1
Assistant Clerk of the House of Commons	1	7- 1-25	2
Assistant Electrician Foreman	1053	29 -6-22	1
Assistant Labour Foreman	1053	29- 6-22	1
Assistant Mason Foreman	1053	29- 6-22	1
Assistant Painter Foreman	1053	29- 6-22	1
Assistant Plumber and Pipe-Fitter Foreman	1053	29- 6-22	1
Automobile Mechanic	1053	29- 6-22	1
Barber	1053	29- 6-22	1
Blacksmith	1053	29- 6-22	1
Blacksmith Apprentice	1053	29- 6-22	1
Blacksmith Foreman	1053	29- 6-22	1
Blacksmith's Helper	1053	29- 6-22	1
Boilermaker	1053	29- 6-22	1
Boilermaker Apprentice	1053	29- 6-22	1
Boilermaker Foreman	1053	29- 6-22	1
Boilermaker's Helper	1053	29- 6-22	1
Boom Master	1053	29- 6-22	1
Cabinet Maker	1053	29- 6-22	1
Camp Cook	1053	29- 6-22	1
Carpenter	1053	29- 6-22	1
Carpenter Construction Foreman	1053	29- 6-22	1
Carpenter Foreman	1053	29- 6-22	1
Carpenter Foreman, Ship Construction	1053	29- 6-22	1
Carpenter's Helper	1053	29- 6-22	1
Carpenter, Ship Construction	1053	29- 6-22	1
Caulker	1053	29- 6-22	1
Caulker Foreman	1053	29- 6-22	1
Chaplain	5/200	31- 1-22	3
	2436	11- 7-21	3
Charwoman	1053	29- 6-22	1
Chauffeur	1053	29- 6-22	1
Clerk, Grade 1, Commercial Intelligence Service, Outside Canada	3439	19- 9-21	4
Clerk, Grade 1, Outside Canada	8/200	31- 1-22	5
Clerk, Grade 2, Commercial Intelligence Service, Outside Canada	3439	19- 9-21	4
Clerk, Grade 2, Outside Canada	8/200	31- 1-22	5
Clerk, Grade 3, Commercial Intelligence Service, Outside Canada	3439	19- 9-21	4
Clerk, Grade 3, Outside Canada	8/200	31- 1-22	5
Clerk, Grade 4, Commercial Intelligence Service, Outside Canada	3439	19- 9-21	4
Clerk, Grade 4, Offices of Ministers of Crown and Solicitor General	26/829	5- 5-27	7
Clerk, Commercial Intelligence Service, Outside Canada	3439	19- 9-21	4
Coat Room Attendant, Female	1053	29- 6-22	1
Commercial Agent, Commercial Intelligence Service, Outside Canada	3439	19- 9-21	4
Confidential Messenger, Offices of Ministers of Crown and Solicitor General	323	10- 2-22	7
	37/1147	16- 6-27	7

IN WHOLE—*Con.*

Classes	P.C.	Date	Regulation
Cook	1053	29- 6-22	1
Cooper	1053	29- 6-22	1
Cooper's Helper	1053	29- 6-22	1
Coppersmith	1053	29- 6-22	1
Coppersmith's Helper	1053	29- 6-22	1
Culler	1053	29- 6-22	1
Cupola Tender	1053	29- 6-22	1
Derrickman	1053	29- 6-22	1
Diver	1053	29- 6-22	1
Diver's Assistant	1053	29- 6-22	1
Dynamo Tender	1053	29- 6-22	1
Electrician	1053	29- 6-22	1
Electrician Foreman	1053	29- 6-22	1
Electrician's Apprentice	1053	29- 6-22	1
Electrician's Helper	1053	29- 6-22	1
Electric Lineman	1053	29- 6-22	1
Electric Lineman Foreman	1053	29- 6-22	1
Electric Power Plant Operator	1053	29- 6-22	1
Electric Wireman	1053	29- 6-22	1
Elevator Repairman	1053	29- 6-22	1
Farm Hand	1053	29- 6-22	1
Field Matron, Department of Indian Affairs	40/291	24- 2-25	8
Fireman	2633	22-12-22	1
Fireman-Labourer	2633	22-12-22	1
Fireman's Helper	2633	22-12-22	1
Fitter, Machinist	1053	29- 6-22	1
Foreman of Dredge Repairs	1053	29- 6-22	1
Fruit Canner	1053	29- 6-22	1
Garage Man	1053	29- 6-22	1
Gas Engine Foreman	1053	29- 6-22	1
Gas Engineman	1053	29- 6-22	1
Graduate Nurse, Indian Affairs	24/2588	16-12-22	9
Grain Hold Boss	1053	29- 6-22	1
Grain Rigger	1053	29- 6-22	1
Grain Scooper	1053	29- 6-22	1
Head Chauffeur	1053	29- 6-22	1
Head Waitress	1053	29- 6-22	1
Hospital Attendant, Indian Affairs	37/524	31- 3-24	10
Housekeeper	1053	29- 6-22	1
Housemaid	1053	29- 6-22	1
Immigration Hall Attendant	1053	29- 6-22	1
Indian Interpreter, Indian Affairs	1053	29- 6-22	1
Junior Translator, Commercial Intelligence Service, Outside Canada	3439	19- 9-21	4
Kitchen Helper	1053	29- 6-22	1
Labourer	1053	29- 6-22	1
Labour Foreman	1053	29- 6-22	1
Laundress	1053	29- 6-22	1
Lineman	1053	29- 6-22	1
Locksmith	1053	29- 6-22	1
Locksmith Foreman	1053	29- 6-22	1
Locomotive Engineer	1053	29- 6-22	1
Locomotive Foreman	1053	29- 6-22	1
Machinist	1053	29- 6-22	1
Machinist Apprentice	1053	29- 6-22	1
Machinist Foreman	1053	29- 6-22	1
Machinist's Boy	1053	29- 6-22	1
Machinist's Helper	1053	29- 6-22	1
Mason	1053	29- 6-22	1
Mason Foreman	1053	29- 6-22	1
Mason's Helper	1053	29- 6-22	1
Matron	1053	29- 6-22	1
Messenger, Commercial Intelligence Service, Outside Canada	3439	19- 9-21	4
Mill Foreman	1053	29- 6-22	1
Milling Machinist	1053	29- 6-22	1
Millwright	1053	29- 6-22	1
Millwright's Helper	1053	29- 6-22	1
Moulder	1053	29- 6-22	1
Moulder Foreman	1053	29- 6-22	1
Moulder's Helper	1053	29- 6-22	1
Mould Loft Foreman	1053	29- 6-22	1
Oakum Spinner	1053	29- 6-22	1
Office Boy, Commercial Intelligence Service, Outside Canada	3439	19- 9-21	4
Office Boy, Outside Canada	8-200	31- 1-22	5
Official Car Porter	1053	29- 6-22	1
Orderly, Office of the Governor General's Secretary	1053	29- 6-22	1
Packmaster	1053	29- 6-22	1
Painter	1053	29- 6-22	1
Painter and Paper Hanger	1053	29- 6-22	1

Classes	P.C.	Date	Regulation
Painter Foreman	1053	29- 6-22	1
Pattern-Maker	1053	29- 6-22	1
Pattern-Maker Apprentice	1053	29- 6-22	1
Pattern-Maker Foreman	1053	29- 6-22	1
Pattern-Maker's Helper	1053	29- 6-22	1
Plasterer	1053	29- 6-22	1
Plumber and Pipe Fitter	1053	29- 6-22	1
Plumber and Pipe-Fitter Foreman	1053	29- 6-22	1
Plumber and Pipe-Fitter's Helper	1053	29- 6-22	1
Port Physician, Department of Health—*See* attached list.			
Process Welder	1053	29- 6-22	1
Quarry Cutter	1053	29- 6-22	1
Quarryman	1053	29- 6-22	1
Railway Section Foreman	1053	29- 6-22	1
Railway Signal Repair Man	1053	29- 6-22	1
Repair Woman	1053	29- 6-22	1
Rigger	1053	29- 6-22	1
Rigger Foreman	1053	29- 6-22	1
Rigger's Helper	1053	29- 6-22	1
Riveter	1053	29- 6-22	1
Roofer	1053	29- 6-22	1
Roofer Foreman	1053	29- 6-22	1
Roofer's Helper	1053	29- 6-22	1
Saddler's Helper	1053	29- 6-22	1
Sail Maker	1053	29- 6-22	1
Sail Maker Foreman	1053	29- 6-22	1
Sail Maker's Helper	1053	29- 6-22	1
Saw Mill Foreman	1053	29- 6-22	1
Sawyer	1053	29- 6-22	1
Seamstress Department of Indian Affairs	37/524	31- 3-24	10
Secretary to Executive, Offices of Ministers of the Crown and Solicitor General	323	10- 2-22	7
	37/1147	6- 6-27	7
Secretary to Executive, Office of the Chief Commissioner, Board of Railway Commissioners	144/196	9- 2-25	11
Sergeant-at-Arms, House of Commons	1	7- 1-25	2
Sheet Metal Worker	1053	29- 6-22	1
Shipwright	1053	29- 6-22	1
Shipwright Foreman	1053	29- 6-22	1
Shipwright's Helper	1053	29- 6-22	1
Sign Painter	1053	29- 6-22	1
Slide Master	1053	29- 6-22	1
Special Typist, Grade 3, Commercial Intelligence Service, Outside Canada	3439	19- 9-21	4
Special Typist, Grade 3, Outside Canada	8-200	31- 1-22	5
Stable Boss	1053	29- 6-22	1
Stenographer, Grade 1, Commercial Intelligence Service, Outside Canada	3439	19- 9-21	4
Stenographer, Grade 1, Outside Canada	8/200	31- 1-22	5
Stenographer, Grade 2, Commercial Intelligence Service, Outside Canada	3439	19- 9-21	4
Stenographer, Grade 2, Outside Canada	8/200	31- 1-22	5
Stenographer, Grade 2, Offices of Ministers of the Crown and Solicitor General	323	10- 2-22	7
	37/1147	6- 6-27	7
Stenographer, Grade 3, Commercial Intelligence Service, Outside Canada	3439	19- 9-21	4
Stenographer, Grade 3, Outside Canada	8/200	31- 1-22	5
Stenographer, Grade 3, Offices of Ministers of the Crown and Solicitor General	323	10- 2-22	7
	37/1147	6- 6-27	7
Stonecutter	1053	29- 6-22	1
Tailor	1053	29- 6-22	1
Teamster	1053	29- 6-22	1
Template Maker	1053	29- 6-22	1
Tile and Cement Worker	1053	29- 6-22	1
Tile Layer	1053	29- 6-22	1
Tool Maker	1053	29- 6-22	1
Train Conductor	1053	29- 6-22	1
Translator or Interpreter, Commercial Intelligence Service, Outside Canada	3439	19- 9-21	4
Typist, Grade 1, Commercial Intelligence Service, Outside Canada	3439	19- 9-21	4
Typist, Grade 2, Commercial Intelligence Service, Outside Canada	3439	19- 9-21	4
Typist, Grade 1, Outside Canada	8/200	31- 1-22	5
Typist, Grade 2, Outside Canada	8/200	31- 1-22	5
Upholsterer	1053	29- 6-22	1
Waiter	1053	29- 6-22	1
Waitress	1053	29- 6-22	1
Wood Turner	1053	29- 6-22	1

LIST OF PORT PHYSICIANS

Order in Council P.C. 1053, 29-6-22, as Amended

Positions of Physician performing the duties of Port Physician under the Department of Health at the following points:—

PROVINCE OF NOVA SCOTIA

Advocate Harbour
Amherst (4)
Annapolis Royal
Antigonish (4)
Arichat
Baddeck
Barrington
Barton
Bear River
Bridgetown
Bridgewater
Canso
Cheticamp (1)
Clark's Harbour
Clementsport
Digby
East La Have
Freeport (2)
Glace Bay
Hantsport
Kentville (4)
Liverpool
Lockeport
Louisburg (1)
Lunenburg (1)
Mahone Bay
Margaree (3)
Margaretsville
Mateghan
Middleton (1)
New Glasgow (4)
North Sydney
Parsboro
Pictou
Port Greville
Port Hawkesbury
Port La Tour
Port Midway
Port Morien
Pubnico
St. Peters
Sandy Cove
Shelburne
Springhill (4)
Sydney (1)
Westport
Weymouth
Windsor
Yarmouth

PROVINCE OF NEW BRUNSWICK

Albert
Alma
Back Bay
Bathurst
Campbellton
Cape Tormentine
Caraquet
Dalhousie
Grand Harbour
Hillsboro
Moncton
North Head
Richibucto
St. Andrews
St. George
St. Martins
St. Stephens
Shediac
Shippigan
Tracadie (4)

PROVINCE OF PRINCE EDWARD ISLAND

Alberton
Crapaud
Georgetown
Montague (4)
Murray Harbour
Rustico
Souris
Summerside
Tignish

PROVINCE OF QUEBEC

Chicoutimi (6)
Gaspé
Magdalene Island
Paspebiac
Percé
Port Alfred (3)
Rimouski
St. Johns
Sorel
Three Rivers

PROVINCE OF BRITISH COLUMBIA

Alberni
Anyox (4)
Buckley Bay (4)
Chemainus (3)
Duncan (4)
Ladysmith (3)
Nanaimo
New Westminster (5)
Ocean Falls
Port Alice (4)
Powell River
Prince Rupert
Union Bay
Vancouver (5)
Victoria (5)

(1) Added by authority of Order in Council P.C. 2241, 27-10-22.
(2) Added by authority of Order in Council P.C. 782, 2-5-23.
(3) Added by authority of Order in Council P.C. 1101, 20-6-23.
(4) Added by authority of Order in Council P.C. 1941, 21-10-24.
(5) Added by authority of Order in Council P.C. 2005, 20-11-24
(6) Added by authority of Order in Council P.C. 22/436, 24-3-25.

APPENDIX "L"

List of absences from Commission offices of Civil Service Commissioners from July, 1926 to March, 1932, inclusive.

—	Dr. Roche	Dr. MacTavish	Mr. Tremblay
1926			
July		2 to 5	7
		9 to 12	14
		16 to 19	
		25 to 26	
		30	
August		3 to 7	4
	10 to 21	21	21 and 23
September		1	1
		3 and 4	
		11 to 14	
		18 to 21	23 to 30
		25 and 27	
October		1 to 4	1 to 11
		9 and 11	
		16 and 18	
		23 and 25	
		29 and 30	
November			2
		6	
		12 and 13	
		19 and 20	20
	24 to 27	26 and 27	
December		3 and 4	
		9	
		13	
		17 and 18	21
		24 and 27	24 and 27
		31	
1927			
January		7 and 8	
		14 and 15	
		20 to 31	20
February		2 to 7	
		11 and 12	11 and 12
		18 to 21	
		26 and 28	
March		4 and 5	
		11 to 14	
		17	
		21	19
		26 and 28	
April		2 and 4	
		8 and 9	8 and 9
		14	
		23 and 25	
		29 and 30	
May		4	4
		6 to 9	9 to 14
		13 and 14	
		21 to 30	
	27 and 28		

—	Dr. Roche	Dr. MacTavish	Mr. Tremblay
1927—*Concluded*			
June		4 and 6	1 and 2
		10 to 13	8 and 9
		17 to 20	17 and 18
		23	23
		26 to 28	27
July		4	
		9 and 11	7
		15 and 16	15 and 16
		21 to 25	21
		29 and 30	
August	8 to 20	5 to 15	6 to 13
		22	23
		26 to 29	
September		1 to 19	
			9
	28 to 30	22 to 28	12 to 17
October	1 to 4		
		7 to 10	
		14 to 17	
		21 to 24	24
		28 to 31	
November	2	9 and 10	16
		19	
	22	25 and 26	
December		16 and 17	
	24 to 31	29	
1928			
January	3 to 7	7	
		20 and 21	
	28	27 and 28	
February		3 and 4	1
		17 and 18	
	25 and 27	24 and 25	
March		2 and 3	
		9 and 10	
		20	
		23 and 24	
		30 and 31	
April		5 and 7	
		13 and 14	13 and 14
		18	
		20 to 23	
		28 and 30	
May		5 and 7	
		16	
		21 to 29	25 and 26
June	2	1 and 2	
		9 and 11	
		13 to 16	
		21	
	25 to 30	29 and 30	
July	3 to 11	3	
		10 to 12	11
			16 to 21
		20	
		24 and 25	
	30 and 31	27 to 30	

	Dr. Roche	Dr. MacTavish	Mr. Tremblay
1928—*Concluded*			
August	1 to 18		1
		7	
		10 to 14	
		27	
		31	
September		1 to 18	1 to 11
		21 to 24	
		26	26
October		1 and 2	
		5 and 6	
		9	
		11	
		12 to 15	
	19 and 20		
		26 and 27	
		31	
November	6	9 and 10	13 and 14
		17 to 20	22
		30	
December		1 and 3	
		10 and 11	
	13 to 21	17	
		21	
			26
			28 and 29
1929			
January		4 and 5	
		11 to 14	
		18 and 19	
		25	
		31	29
February		1 and 2	
		8 to 11	
		22 and 23	23 and 25
	25 to 28		
March		1 and 2	
		15 and 16	
		22	23
		25	
April	1	1 and 3	
	6	12	
		13	
			18 to 22
		19 and 20	
		25 to 27	
May		3	
		10 and 11	13 and 14
		17 to 20	
		25 and 27	
		31	
June		1 and 4	
		14 to 18	17 to 22
		27 to 29	(Winnipeg)
July		11 to 16	11 to 13
			16 and 17
	22 to 27	25 and 24	
			27
			31
August		1 to 3	
	6 to 20	9 and 10	7 to 13
		15 to 17	
		22 to 24	21 and 22
		30 and 31	

	Dr. Roche	Dr. MacTavish	Mr. Tremblay
1929—*Concluded*			
September		3	
			5
		6 to 9	
		12 to 16	17
	18	19 to 30	
October		1 to 5	
		10 to 14	10
			14
		18 to 21	
		30 and 31	
November		2 and 4	
		12 to 14	
			18
		22 to 30	
December		2	
	7		
		10 and 11	
		20 and 21	
1930			
January		3 and 4	
			8
		15 to 18	
		25 and 27	
February	5	5 to 8	
		21 to 24	
		28	
March		1	
		10 to 12	
			18 and 19
		20	
		25	25
		27 to 29	
April		5 and 7	
			15
		16 to 19	19
		25 to 28	
May		5	
		13 to 16	
		23	
		30 and 31	
June		2	
		5	
		11 to 14	
		20 and 21	
		26	26
		28	
July	5 to 26	5 to 10	10
			16
		18 and 19	
		23 to 26	
August		2 to 11	
			6
		20 to 27	
September		3 to 6	
		12 and 13	
		17	18
		26 and 27	26
October		3 and 4	
		10	
		13	
		17 to 20	18 and 20
		24 to 31	29 to 31

——	Dr. Roche	Dr. MacTavish	Mr. Tremblay
1930—*Concluded*			
November		3	3
	7 and 8		
			11
	20	20 to 24	
		28 and 29	
December	1 to 6	1 and 2	
		6	
		12	
	15 to 20		
		22 and 23	
			26 and 27
1931			
January		2 and 3	
		10	
		16 and 17	
			17
		21 to 24	21
			23 and 24
February		13 to 18	
March		6 to 11	
		18 and 19	
			19 and 20
		27 and 28	
April		7 to 13	
			13
		24 to 28	
May		14 to 16	
			21
		22 and 23	
		29	
June			1 to 13
		5 to 8	
		22, 25, 26, 27	
July		18	
		24 and 25	
		29	
		31	
August	1 to 21	1	
		6	6
		13 to 19	
			25 to 27
		28	
		31	
September		1 to 5	1 and 2
		9	
		12	
			15 to 17
		17 to 21	
		24	
			26 and 28
October		2 and 3	
			5 to 10
		14 to 17	
		26	
November		5 to 7	5
			17
		18	
		23	
		25	

—	Dr. Roche	Dr. MacTavish	Mr. Tremblay
1931—*Concluded*			
December		1 to 10	1 and 2
			9 and 10
	12 to 17		
			15
		18 to 21	
		28	
		30	30
1932			
January	14 to 16		7 to 9
		15 and 16	
			26
February			3
		4	
		8	8
		19 and 20	
		26 and 27	
March			3 and 4
		7 to 30	
			11 and 12

APPENDIX "M"

SUNDAYS INCLUDED IN THE PERIODS SHOWN IN DR. MACTAVISH'S ABSENCES

1926—July 4
" 11
" 18
" 25
Sept. 12
" 19
" 26
Oct. 3
" 10
" 17
" 24
Dec. 26

1927—Jan. 23
" 30
Feb. 6
" 20
Mar. 13
May 8
" 22
" 29
June 12
" 19
" 26
July 24
Aug. 7
" 14
" 28
Sept. 4
" 11
" 18
" 25
Oct. 9
" 16
" 23
" 30

1928—April 22
" " 29
May 27
July 29
Aug. 12
Sept. 2
" 9
" 16
" 23
Oct. 14
Nov. 18

1929—Jan. 13
Feb. 10
May 19
June 16
July 14
Sept. 8
" 15
" 22
" 29
Oct. 13
" 20
Nov. 24

1930—Feb. 23
April 27
July 6
Aug. 3
" 10
" 24
Oct. 19
" 26
Nov. 23

1931—Feb. 15
Mar. 8
April 12
" 26
June 7
Aug. 16
Sept. 20
Dec. 6
" 20

1932—Mar. 13
" 20
" 27

Total 79

APPENDIX "N"

CIVIL SERVICE COMMISSION—NUMBER OF REQUISITIONS RECEIVED

1931

	Permanent			Seasonal			Temporary			Total Requisitions		
	Old	New	Total	Old	New	Total	Old	New	Total	Old	New	Total
January	227	107	332	1		1	134	230	364	360	337	697
February	244	83	327	3		3	91	149	240	338	232	570
March	225	66	291	6	1	7	97	136	233	328	203	531
April	220	56	276	7	9	16	128	95	223	355	160	515
May	182	27	209	12	...	12	164	81	245	358	108	466
June	215	345	560	4	...	4	259	137	396	478	482	960
July	186	371	557	9	9	18	83	167	250	278	547	825
*August	176	32	208		...	...	152	131	283	328	163	491
September	204	75	279	8	...	8	88	103	191	300	178	478
October	197	34	231	6	...	6	97	107	204	300	141	441
November	192	46	238	3	2	5	47	132	179	242	180	422
December	117	12	129	2	...	2	48	42	90	167	54	221
Total	2,383	1,254	3,637	61	21	82	1,388	1,510	2,898	3,832	2,785	6,617
*Less Aug. cancellation	1	.	1		2	2	3	6	9	4	8	12
Net total	2,382	1,254	3,636	61	19	80	1,385	1,504	2,889	3,828	2,777	6,605

1930

	Permanent			Seasonal			Temporary			Total Requisitions		
	Old	New	Total	Old	New	Total	Old	New	Total	Old	New	Total
January	238	70	308				122	237	359	360	307	667
February	323	58	381	2		2	96	134	230	421	192	613
March	379	94	473	5	..	5	277	230	507	661	324	985
April	290	127	417	16	25	41	137	214	351	443	366	809
May	293	144	437	9	18	27	171	249	420	473	411	884
June	275	95	370		4	4	146	373	519	421	472	893
July	255	124	379	.. .	58	58	115	326	441	370	508	878
August	213	165	378	1	.	1	86	185	271	300	350	650
September	249	64	313	9	24	33	100	242	342	358	330	688
October	320	187	507	16	3	19	120	271	391	456	461	917
November	283	82	365	6	2	8	65	347	412	354	431	785
December	176	71	247				58	202	260	234	273	507
Total	3,294	1,281	4,575	64	134	198	1,493	3,010	4,503	4,851	4,425	9,276

1924–1929

	Permanent			Seasonal			Temporary			Total Requisitions		
	Old	New	Total	Old	New	Total	Old	New	Total	Old	New	Total
1929	3,503	1,337	4,840	84	58	142	1,594	3,154	4,748	5,184	4,546	9,730
1928	2,947	883	3,830	96	36	132	1,459	2,498	3,957	4,502	3,417	7,919
1927	2,823	676	3,499	39		39	1,491	1,851	3,342	4,353	2,527	6,880
1926	2,362	394	2,756	24	1	25	1,560	1,471	3,031	3,953	1,868	5,821
1925	2,094	279	2,373				1,317	945	2,262	3,411	1,224	4,635
1924			2,727						2,554			5,281

APPENDIX "O"

STATEMENT of the numerical strength and total salary payments of the Civil Service for January of the years 1918–1931 inclusive. *Not including employees in non-enumerated classes. Extracted from the annual reports of the Dominion Bureau of Statistics—"Statistics of the Civil Service of Canada".

Month of January	Number of employees	Salaries (including bonus)	Salaries and wages of non-enumerated classes	Total
		$	$	$
1918	38,369	3,241,782	Not available	
1919	41,825	4,110,568	"	
1920	47,133	5,388,695	"	
1921	41,957	5,276,642	"	
1922	41,094	4,985,614	"	
1923	38,992	4,731,827	"	
1924	38,062	4,746,695	"	
1925	38,645	4,639,931	1,308,377	5,859,179
1926	39,097	4,699,076	1,316,902	6,015,979
1927	39,440	4,786,615	1,417,363	6,203,978
1928	40,740	5,161,558	1,440,559	6,602,117
1929	42,038	5,428,058	1,721,416	7,149,473
1930	43,525	5,543,749	1,695,245	7,238,994
1931	45,167	5,757,554	1,683,038	7,440,592

*A statement including employees in non-enumerated classes is not available. The non-enumerated classes are casual labourers and other classes of employees engaged for short periods: *Labour Gazette* correspondents; police officers and constables on the strength of the Royal Canadian Mounted Police; artisans and labourers engaged by the day at the Sorel Shipyards and on construction work which is of a terminable and temporary nature; employees of revenue post offices, mail contractors, licensed vendors, and rural postmasters; employees at Canadian Government elevators; lower grade clerical staffs outside of Canada; and census employees for field work.

STATEMENT SHOWING BY DEPARTMENTS THE NUMBER OF EMPLOYEES IN THE DOMINION GOVERNMENT SERVICE FOR JANUARY OF THE YEARS 1912 TO 1930

This statement does not include the number of employees in non-enumerated classes.

Department	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931
Agriculture	718	824	839	995	1,046	1,137	1,194	1,137	1,125	1,178	1,360	1,481	1,597	1,569	1,718	1,777	1,872	1,929	2,079	2,257
Archives	..	59	62	74	76	76	78	76	80	80	79	81	81	72	78	81	82	82	82	85
Auditor General	83	96	97	95	113	142	150	142	158	195	205	199	209	203	226	214	203	203	202	206
Civil Service Commission	11	11	14	13	14	12	13	52	118	217	219	176	172	151	141	138	145	146	171	182
Chief Electoral Officer	..	..	..	..	..	..	..	..	..	8	39	6	4	4	32	16	5	5	5	13
Commission of Conservation	20	27	31	32	34	37	36	34	46	46	10	..	..	..	..	..	..	..	..	..
External Affairs	26	31	33	41	53	65	82	151	139	131	105	104	99	106	103	99	124	141	154	154
Finance	113	113	122	138	176	248	803	713	656	534	479	589	546	457	422	420	424	416	421	411
Governor-General's Secretary	11	11	11	12	12	11	12	13	14	12	15	13	12	12	12	13	11	10	10	10
House of Commons	Records destroyed by fire.					173	89	86	132	172	175	181	183	185	482	459	473	195	189	221
Immigration and Colonization	476	561	663	718	728	674	824	709	607	706	713	747	840	846	872	844	853	908	961	899
Indian Affairs	659	731	787	803	843	847	711	788	787	775	784	781	794	869	907	923	936	981	1,028	1,078
Insurance	16	18	20	18	19	21	22	27	26	26	27	31	32	33	32	33	36	38	38	40
Fire Prevention Branch	..	..	..	..	..	..	..	..	3	5	5	4	2	..	2	2	2	2	2	2
Interior	1,270	1,383	1,532	1,765	1,888	1,861	1,896	1,904	1,975	2,008	2,179	2,153	2,052	2,029	2,059	2,133	2,195	2,316	2,392	2,157
International Joint Commission	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Justice	419	443	467	504	512	504	469	454	494	499	562	592	599	607	620	647	664	676	693	789
Labour	30	35	43	44	45	45	67	238	154	139	146	123	94	102	103	105	122	136	141	144
Library of Parliament	18	22	22	17	17	18	18	18	19	17	19	19	20	20	20	20	21	21	21	25
Marine (and Fisheries)	2,085	2,247	2,418	2,535	2,642	2,654	2,696	2,646	2,653	2,643	2,654	2,718	2,766	4,195	4,221	4,230	4,310	4,337	4,464	4,232
Fisheries	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	374
Mines	148	182	195	221	260	303	267	276	275	259	276	282	296	305	317	311	343	359	376	401
National Defence	725	841	919	1,747	2,708	4,143	5,771	7,392	5,547	2,685	2,398	1,538	1,304	1,070	1,112	1,113	1,168	1,192	1,235	1,344
National Revenue	3,214	3,651	4,037	4,141	4,225	4,260	4,481	4,031	3,921	3,999	3,889	3,899	3,925	3,958	5,135	4,237	4,622	4,788	4,939	5,174
Income Tax Division	..	..	..	..	..	34	44	345	798	1,270	1,419	1,342	1,211	1,075	..	997	1,070	1,167	1,171	1,156
Patents and Copyrights	..	..	..	..	..	..	..	..	93	94	112	119	114	90	92	89	97	98	103	108
Pensions and National Health Board of Pension Commrs	..	..	..	..	..	157	454	803	1,089	514	29	29	30	30	30	29	29	131	143	197
Federal Appeal Board	..	..	..	..	..	..	..	..	..	..	..	..	..	..	47	48	48	49	54	..
Pensions Appeal Court	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	10
Pensions Tribunal	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	70
Health	..	..	..	..	..	..	..	..	256	280	279	278	284	282	285	295	325	363	364	341
Pensions	..	..	..	..	47	491	3,398	3,073	8,121	5,779	4,886	3,823	3,094	2,453	2,112	1,911	1,892	1,782	1,934	2,200
Post Office	5,082	5,919	7,171	7,849	8,057	8,729	9,084	10,002	9,740	9,950	10,007	10,068	10,213	10,316	10,284	10,421	10,777	11,417	11,745	12,084
Privy Council	20	27	21	25	27	26	29	27	25	21	18	20	19	21	21	20	21	21	19	18
Public Printing and Stationery	862	915	983	1,106	1,150	1,165	1,260	1,192	1,142	702	729	663	688	673	680	685	693	700	712	717
Public Works	1,481	1,554	1,708	1,911	2,007	2,085	2,189	3,015	3,103	3,070	3,020	2,970	3,004	3,841	3,797	3,781	3,684	3,797	3,870	3,848
Railways and Canals	2,150	2,358	2,360	2,631	1,907	1,697	1,410	1,351	1,504	1,596	1,795	1,646	1,561	1,229	1,242	1,212	1,285	1,337	1,340	1,534
Royal Canadian Mounted Police	11	11	12	12	10	10	10	12	15	21	35	36	41	40	46	47	48	57	68	78

Secretary of State	38	45	52	51	68	75	77	82	84	127	135	127	122	102	96	97	95	98	115	111
Senate	32	32	34	35	33	36	32	32	33	29	30	28	28	67	117	119	117	72	67	69
Soldiers' Settlement Board							2	68	1,175	1,136	770	692	618	562	485	487	532	540	527	511
Trade and Commerce	293	463	437	463	499	694	695	931	1,021	1,068	1,487	1,426	1,403	1,066	1,144	1,382	1,411	1,523	1,685	1,909
Total	20,016	22,621	25,107	28,010	29,219	32,435	38,369	41,825	47,133	41,957	41,094	38,992	38,062	38,645	39,097	39,440	40,740	42,038	43,525	45,167
	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931

NOTE.—It should be noted that the figures of Civil Service employees from 1925 on are not comparable with the figures from 1912 to 1924. This is owing to the inclusion in the reports now sent in by departments of various classes which it was not possible to include in the historical record covering the twelve-year period from 1912 to 1924. Such employees are largely "part time," "seasonal," and "fees of office," receiving small salaries. For example, there is a big increase in the number of employees in the Department of Marine and Fisheries. In 1925, 1,316 employees were reported as belonging to "part time," "seasonal," and "fees of office," classes and had not been reported in the 1912-24 report. Also in the Public Works Department, an increase of 837 employees was shown, accounted for chiefly by the fact that telegraph service with 707 employees had not been included in the 1912-24 report.

The same desire to include all possible classes of employees in the monthly survey being made of all departments from 1924 on may have led to minor incomparabilities. However, it is thought that if it had been possible to prepare statistics for 1925 on exactly the same basis as for 1912-24, it would have shown a reduction of 1,400 employees rather than an increase of 583.

APPENDIX "P"

STATEMENT OF DR. MACTAVISH SHEWING CREDITS CLAIMED BY HIM AS A SET-OFF AGAINST HIS ABSENCES AS SHEWN IN APPENDIX "L"

Saturdays, Sundays and Public Holidays charged (computing Saturdays on a half-day basis)	172½
Travelling on official business	174
Holidays	180
Sick Leave (*see* memorandum attached)	108
Special Leave (*see* memorandum attached)	70
Attendance to official duties although not present at the office every day, from March 7th to March 30th, 1932	24
Total	728½

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HOUSE OF COMMONS

SELECT STANDING COMMITTEE

ON

RAILWAYS AND SHIPPING

OWNED, OPERATED AND CONTROLLED BY THE GOVERNMENT

SESSION, 1932

PRINTED BY ORDER OF PARLIAMENT

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1932

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MEMBERS OF THE COMMITTEE

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Hon. R. Rogers,
Mr. J. S. Stewart *(Lethbridge)*,

JOHN T. DUN,
Clerk of the Committee.

48862—1½

ORDER OF REFERENCE

HOUSE OF COMMONS,

FRIDAY, February 12, 1932.

Ordered,—That the said Committee be empowered to examine and inquire into all such matters and things as may be referred to them by the House; and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Attest

ARTHUR BEAUCHESNE,
Clerk of the House.

HOUSE OF COMMONS,

TUESDAY, February 23, 1932.

Resolved,—That Standing Order 63 of the House of Commons relating to the appointment of the Select Standing Committees of the House, be amended by adding to the Select Standing Committees of the House for the present session a Select Standing Committee on Railways and Shipping owned, operated and controlled by the Government, to which will be referred the accounts and the estimates of the Canadian National Railways and the Canadian Government Merchant Marine for the present session, for consideration and report to the House.

Provided, however, that nothing in this resolution shall be construed to curtail in any way the full right of discussion in Committee of Supply, and that the said Committee consist of Messrs, Beaubien, Bell (St. Antoine), Bothwell, Cantley, Chaplin, Duff, Euler, Fiset (Sir Eugène), Fraser (Cariboo), Geary, Gobeil, Gray, Hanson (York-Sunbury), Heaps, Kennedy (Peace River), McGibbon, MacMillan (Saskatoon), Manion, Munn, Power, Rogers, and Stewart (Lethbridge).

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

TUESDAY, March 1, 1932.

Ordered,—That the following Bill be referred to the said Committee:—

Bill No. 21, An Act respecting the Canadian National Railways and to authorize additional provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1931.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

THURSDAY, March 3, 1932.

Ordered,—That the said Committee be given leave to print 500 copies of proceedings and evidence which may be taken, from day to day, and that Standing Order 64 be suspended in relation thereto.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

MONDAY, March 14, 1932.

Ordered,—That the Supplementary Estimates, 1931-32; Canadian National Steamships and Maritime Freight Rates Act, be referred to the said Committee.

Attest

ARTHUR BEAUCHESNE,
Clerk of the House.

FRIDAY, April 1, 1932.

Ordered,—That the following Bill be referred to the said Committee:—

Bill No. 34, An Act respecting the Canadian National Railways and to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1932.

Attest

ARTHUR BEAUCHESNE,
Clerk of the House.

TUESDAY, April 26, 1932.

Ordered,—That the said Committee be given permission to sit while the House is sitting.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

TUESDAY, April 26, 1932.

Ordered,—That the Estimates tabled Friday, 22nd April, 1932, being Resolutions Nos. 314, 315, 316 and 317, be referred to the said Committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

REPORTS TO THE HOUSE

FIRST REPORT

THURSDAY, March 3, 1932.

Your Committee have considered Bill No. 21, An Act respecting the Canadian National Railways and to authorize additional provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1931, and have agreed to report the said Bill without amendment.

All of which is respectfully submitted.

R. B. HANSON,
Chairman.

SECOND REPORT

THURSDAY, March 3, 1932.

It is recommended that 500 copies of proceedings and evidence which may be taken by your Committee be printed, from day to day, and that Standing Order 64 be suspended in relation thereto.

All of which is respectfully submitted.

R. B. HANSON,
Chairman.

THIRD REPORT

THURSDAY, April 7, 1932.

Your Committee have considered Estimates Votes Nos. 312 and 313, being Supplementary Estimates, 1931-32, Canadian National Steamships and Maritime Freight Rates Act, $2,242,474.83, and have agreed to recommend the same to the House.

All of which is respectfully submitted.

R. B. HANSON,
Chairman.

FOURTH REPORT

TUESDAY, April 26, 1932.

Your Committee have considered Bill No. 34, An Act respecting the Canadian National Railways and to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1932, and have agreed to report the said Bill without amendment.

All of which is respectfully submitted.

R. B. HANSON,
Chairman.

FIFTH REPORT

TUESDAY, April 26, 1932.

Your Committee requests permission to sit while the House is sitting.

All of which is respectfully submitted.

R. B. HANSON,
Chairman.

SIXTH REPORT

THURSDAY, April 28, 1932.

Complying with an Order of the House, dated April 26, your Committee have considered Items Nos. 314, 315, 316 and 317 (Canadian National Steamships and Maritime Freight Rates Act) of the Estimates for the current fiscal year.

Your Committee approve of the said Items Nos. 314, 315, 316 and 317 and recommend them to the House.

All of which is respectfully submitted.

R. B. HANSON,
Chairman.

SEVENTH AND FINAL REPORT

FRIDAY, May 20, 1932.

Your Committee to whom was referred for consideration and report the accounts and the estimates of the Canadian National Railways, the Canadian Government Merchant Marine, the Canadian National (West Indies), Steamships, Limited, and the various bills presented to Parliament relating to the operations of the Railways and Shipping owned and controlled by the Government, held 18 public meetings, in the course of which they examined many witnesses, including three Directors and the necessary executive officers of the Company including the President.

1. *Bill No. 21.*

Your Committee had under consideration Bill No. 21 "An Act respecting the Canadian National Railways and to authorize additional provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1931."

The object of this Bill was to authorize the Canadian National Railways to issue additional securities to the extent of $11,372,498.86, for the purpose for the year 1931 of financing where the amounts available from net operating income and investments were insufficient.

In other words the Canadian National Railways Financing Act, 1931, which authorized the issue of securities to the principal sum of $68,500,000 the estimated requirements for 1931, was insufficient for the purposes of the Railway to the extent abovementioned, and this Bill became necessary by reason of the ascertained income deficit arising from the operations of the Railways, and full explanation of this Bill was given in the House of Commons by the Minister of Railways and your Committee reported the same without amendment.

2. *Bill No. 34.*

Your Committee also had under consideration Bill No. 34 "An Act respecting the Canadian National Railways and to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1932."

The object of this Bill was to authorize the Canadian National Railways to issue securities to the extent of $61,500,000 for the purpose during the year 1932 of financing where amounts available from net operating income or investments may be insufficient. This sum is made up of the followings:—

(*a*) Net income deficits, including profit and loss, but not including interest on Dominion Government advances, not exceeding	$ 42,784,610 13
(*b*) Equipment principal payments, sinking funds, miscellaneous maturing or matured notes and other obligations secured or unsecured, not exceeding	11,681,651 87
(*c*) Construction and betterments, including coordinations; acquisition of real or personal property, and working capital, not exceeding	7,033,738 00
Total	$ 61,500,000 00

The detailed statement of the financial requirements and estimated capital expenditures for the year ending December 31, 1932, was placed before your Committee, amounting to the said sum of $61,500,000, and while the Management of the system last year expressed their intention of reducing operating expenses and have put into effect economies which they affirm will approximate

$28,000,000 in the years 1931 and 1932, yet the difference between estimated operating revenue and estimated operating expenses for the current year falls far short of meeting the interest on the funded debt in the hands of the public, which, without regard to any interest due to the Government, this year amounts to the sum of $56,849,244.65, an increase in 12 months of $1,634,267.18. Reference to the annual Report of the Company shows that the net additional capital expenditure for the period of 9 years from January 1, 1923, to December 31, 1931, amounts to the sum of $419,669,620.64 which has imposed an additional annual interest burden of $20,936,821 for the same period and accounts for approximately 37½ per cent in the increase of the annual interest charges due to the public. There is also $1,357,650 due the Government for interest on unfunded debt.

In the light of the aforegoing it is difficult for your Committee to appreciate, from a business standpoint, the wisdom of some of the capital expenditures made and included in the total increase above referred to. Doubtless had the present world depression not so adversely affected the system or continued for such a great length of time, better results from these capital expenditures would have accrued to the system. In view, therefore, of the results of the past two or three years, your Committee strongly recommend that until there is marked improvement in the earnings of the system, capital expenditures should be limited strictly to the barest necessities, always consistent with efficiency.

Your Committee had under consideration also the Annual Report for the year ending December 31st, 1931, and have agreed to report the same.

3. *Operating Expenditures.*

The operating expenditures for the year 1932, exclusive of Eastern lines, are estimated at $139,304,000 while the operating revenues for the same period are estimated at $157,248,000.

The operating revenues for the year 1931 amounted to the sum of $177,273,738, or approximately $20,000,000 more than the estimate for 1932.

In view of the rapid decline of the operating revenues, your Committee are impelled to recommend that the most stringent economy be exercised by the management in all the controllable operating expenditures, and in this regard your Committee recommend that with respect to executive officers and other salaried officials of the Railway, a thorough revision of salaries downward be made. In the report of your Committee for the year 1931, a specific recommendation to that effect was passed and in response thereto the report from the sub-committee of the Board of Directors, directed to the Honourable the Minister of Railways and Canals, dated the 16th February, 1932, was submitted to your Committee. This report announced that on July 31st, 1931, a horizontal cut of 10 per cent, affecting all officials and officers in receipt of salaries of $4,000 and over, became effective, and has resulted in an annual saving of $545,652, affecting in all 828 officials and officers. This means that the annual cost of the said 828 officials theretofore amounted to approximately $5,456,200. The sub-committee of the Board of Directors were of opinion that specific rather than further horizontal reductions in salaries should be made, and stated that an examination of the salaries exceeding $5,000 was under way, having in view additional economies. No subsequent report has been received, but your Committee concur that specific rather than a further horizontal reduction in salaries should be made, and in this connection desire to point out that in a statement submitted and produced to the Committee, it would appear that as of July 21st, 1931, there were 96 officials receiving $10,000 and over and 37 officials receiving $15,000 or over. Your Committee are of opinion that the salaries paid to the high officials are excessive and should immediately be substantially reduced.

Your Committee would further point out that there would seem to be a multiplicity of officials and the number of higher paid officials should be substantially reduced, especially those acting in the capacity of Assistants to heads of Departments. Your Committee therefore recommend that the sub-committee of the Board of Directors set up to deal with this matter be instructed to put into effect immediately the principles underlying this recommendation.

Included in the activities of the sub-committee of the Board dealing with the salaries of the Executive Heads and other officials, was the subject matter of the remuneration received by the President. Under the terms of his contract of engagement dated September 23, 1929, the President shall receive a fixed annual salary of $75,000 per annum, without any extra fees or remuneration of any description. It has come to the attention of your Committee that the President is still in receipt of an additional $5,000 fee from the Ontario Car Company and the special annual allowance for expenses not to be specifically accounted for approved by the Board of Directors on November 18, 1929, amounting to $15,000, and your Committee recommend that the matter of the receipt of said fee of $5,000 shall be again considered by the Board of Directors with a view to its possible cancellation. With respect to the special allowance of $15,000 your Committee recommend that the payment of the same be reviewed by the Board of Directors as being inconsistent with the terms of his contract of engagement.

Following the recommendation of your Committee of last year, made on the suggestion of the President, a Royal Commission on Transportation has been set up by the Government and is now functioning. This Commission has not yet finished its labour or reported its findings. Your Committee are not desirous of anticipating the findings of the Commission but your Committee are of the opinion that the Report of the Commission which it is anticipated will be brought down shortly should be studied with the greatest care, not only by the Government itself, the systems of Railways concerned, but by the Canadian people generally, so that the views of the Commission may be thoroughly understood, and if deemed advisable given effect to at the next Session of Parliament.

4. *Maritime Freight Rates Act and Eastern Lines.*

Your Committee have also had under consideration Item No. 317 in the estimates providing for the payment to the Canadian National Railway Company as required by the Maritime Freight Rates Act of the deficit incurred during the period under review on Eastern lines. The amount of the estimated deficit is $6,217,400, and in addition the sum of $1,750,000 representing the estimated amount by which the revenues of the lines will be lessened during the year by the reduction of rates applicable to Eastern lines by the application of the Maritime Freight Rates Act. In view of the legislation existing your Committee are of opinion that the amounts asked for are necessary and proper to give effect to the letter and spirit of the Maritime Freight Rates Act, and in the operation of the Eastern Lines. Your Committee are, however, of the opinion that the two items above referred to, the deficit in operation of the Eastern lines, and the amount required to reimburse the National Railways for reductions in tolls under the application of the Maritime Freight Rates Act should not be included in the same estimate, and should be severed and shewn separately, even if legislation to effect that end is necessary, and respectfully recommend that appropriate action in the premises be taken so as to provide that the amount required to provide for the payment of the deficit in operation on the Eastern lines be entirely severed from the amount required to be paid in reduction of tolls under the application of the Maritime Freight Rates Act.

Your Committee have also had under consideration Item No. 316 being the amount required under the Maritime Freight Rates Act to provide for payment from time to time during the fiscal year 1932-33 of the difference, estimated by the Board of Railway Commissioners and certified by the said Board to the Minister of Railways and Canals, as and when required by him occurring on account of the application of the Maritime Freight Rates Act between the tariff tolls and the normal tolls, referred to in Section 9 of the said Act, on all traffic moved during 1932 by the independent Railway Companies mentioned therein, and your Committee are of opinion that this amount is necessary to implement the provisions of the Act in that regard and should be granted by Parliament.

5. *Canadian Government Merchant Marine.*

Your Committee have had under consideration Item No. 314 in the estimates, relating to loan to the Canadian Government Merchant Marine, Limited, to be applied in payment in deficits in operations of the Company and of the vessels under the Company's control during the year ending December 31, 1932, amounting in all to $440,000, a decrease of $148,500 over the previous year.

Your Committee have also considered the balance sheet of the Company and are of the opinion that the said sum of $440,000 is required for the purpose of the Company and should be granted by Parliament. Your Committee reiterates their view and believe that the time has come when the Government should, if possible, abandon the policy of operating a Government Merchant Marine. and if possible arrange for the sale or lease of the fleet, and where practicable, and not contrary to Imperial or Inter-Dominion relations, make arrangements with other shipping companies so that the Trade of Canada may be protected.

6. *Canadian National (West Indies) Service.*

Your Committee have had under consideration Item No. 315 in the estimates, relating to the loans to the Canadian National (West Indies) Steamships, Limited, to be applied in payment of deficits in operations of the Company and of the vessels under the Company's control, during the year ending December 31, 1932, and interest requirements, which amounts to $820,000 as compared with $755,000 for the year 1931.

The year ending December 31, 1930, resulted in an operating loss of $523,136.98, while the operating loss for 1931 was $446,568.53, which is slightly above the amount of the subsidy previously paid to an independent Company by the Government for a much inferior service. Your Committee are in agreement with the principle that this Steamship service is a matter of treaty obligation and should be continued, but your Committee are of opinion that the utmost vigilance should be exercised by officials directing and in charge of this Steamship line so that, if possible, the cost of operation to the Dominion should be reduced to a minimum, consistent with efficiency, and at the earliest possible moment turned into an operating profit. The service performed by this line on both routes is an excellent one and should be constantly brought to the attention of the Canadian people whenever and wherever possible with a view to their patronizing the service.

With respect to the traffic originating in the British West Indies, served by the ships your Committee are of opinion that every effort should be made to induce the residents and commercial interests in such Colonies to patronize the service thus made possible for them at so great an expense by the Canadian people, to the fullest possible extent.

7. *Expense Accounts of Officials.*

Your Committee have had under consideration the question of expense accounts of executive and other officers of the Company. After fully considering the matter, your Committee desire to record their belief that there should be a much stricter supervision of all expense accounts, and before payment they should be supported by vouchers and that other necessary evidence of payment should be presented to a properly constituted Committee of Directors set up for the purpose of examining and passing on same and that payment of all such expense accounts, whether submitted by the President, executive heads or all other officials should be strictly limited to business purposes and that with respect to Company entertainment accounts, only those authorized by the same separate and controlling body should be approved. Last year your Committee made a strong recommendation in reference to this matter and reiterate what was then said, especially in relation to such matters as Club dues, entertainments and donations. A system of control similar to that in vogue in the best regulated industrial houses, finance and other institutions is required, and your Committee earnestly recommend that the Board of Directors forthwith put in effect such effective control as is necessary in the premises. The subject-matter is one that cannot be effectively dealt with by a Parliamentary Committee but the principle involved is an important one, and in the opinion of your Committee the best qualified body to deal with the matter is the Board of Directors.

These recommendations should apply specifically to all officers of the Company irrespective of their rank or station.

8. *Audit.*

According to the evidence submitted to your Committee on a previous occasion it has been shewn that the Government employs a reputable firm of Chartered Accountants to make a running audit of the railway operations. The auditors sign the Annual Report and give a certificate attached to the Consolidated Balance Sheet in which they state:—

> We have examined the books and records of the Companies comprising the Canadian National Railway System for the twelve months ended the 31st December, 1931. The investments in Road and Equipment appearing in the books of the Companies as at the 1st January, 1923, were accepted by us.
>
> We certify that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the affairs of the System as at the 31st December, 1931, and we further certify that, in our opinion, the relative Income and Profit and Loss Accounts for the year ended the 31st December, 1931, are correctly stated.

Your Committee are of opinion that the audit now in effect is not sufficient and should go much further, and the auditors should be empowered to go into every phase of the System's operations with power to call attention to any matter calling for comment in their judgment similar in principle to the powers vested in the Auditor General of Canada.

9. *Financial Control.*

Heretofore there has been control of the capital expenditures of the Company but down to a comparatively recent date the expenditures on operation were vested entirely in the executive heads of Departments, and were subject only to the review of the President. No such power should be vested in any one man or small group of men under the same control. In no sense can such a

system be deemed to be effective, and in the opinion of your Committee, this position should be remedied forthwith.

On the 2nd June, 1931, a Special By-Law No. 18 was enacted by the Board of Directors establishing a Finance Committee under the authority of the Statute relating to the Company, which By-Law was duly ratified by Order in Council No. P.C. 1398, passed on the 17th June, 1931. There was already Governmental control of capital expenditures under the Statute. By-Law No. 18 provides for the setting up of a Committee of the Board of Directors to be known as a "Finance Committee" to consist of three members of the Board, namely, the President of the Company who was to be the Chairman of the Committee, the Director holding the position of Deputy Minister of Railways and Canals, and the Director holding the position of Vice-President in charge of the legal affairs of the Company. The By-Law further provides that such Finance Committee shall, notwithstanding anything in any other By-Law to the contrary, have supervision and control over all matters relating to the capital expenditures of the Company, and particularly in respect to the provision of the moneys therefor and the allocation of such moneys. The By-Law as enacted and confirmed is silent with respect to expenditures for operation and maintenance and in the opinion of your Committee the scope of the By-Law should be immediately enlarged by appropriate action on the part of the Board so as to provide that two additional members of the Board shall also be members of the Finance Committee and that all expenditures for materials and/or supplies, or expenditures of any other character, save and except pay-rolls, amounting in value to say $25,000 or over, should first be passed upon by the Finance Committee and subsequently ratified by the Board or the Executive Committee. Your Committee are of the opinion that such a provision would have a healthful and beneficial effect not only on the volume of purchases, especially as unanimity on the part of the entire committee is necessary under the terms of the By-Law, but also the manner and character of purchases, and your Committee earnestly recommend that immediate steps be taken by the Board to give effect to the principles underlying this recommendation.

10. *The President's Residence.*

Your Committee had under consideration the fact that on the eighth of August, 1930, pursuant to a Resolution of the Board of Directors passed on September 23, 1929, the rseidence No. 1415 Pine avenue, Montreal, was leased by the Railway Company for a period of ten years, as a residence for the President at an annual cost closely approximating $20,000.

Having regard to all the evidence adduced and having special regard to the President's contract of engagement, dated September 23, 1929, as ratified and confirmed by his contract with the Government dated October 25, 1929, whereby the President agreed to serve as President and Chairman of the Company including the various constituent and subsidiary Companies comprising the system, and for the full and entire services to be performed from time to time for the fixed annual salary of $75,000, without any extra fees or remuneration of any description, and in addition, but subject to the by-laws, rules and regulations applicable, all reasonable out-of-pocket expenses incurred in connection with the duties of his office or offices, your Committee are of opinion that the leasing of the residence appears to your Committee to be in contravention of the Contract of Engagement and even if legal was unwise and should not have been authorized.

The whole transaction in the opinion of your Committee was a successful attempt by the Board of Directors to do indirectly what could not be done directly by expenditure on capital account, namely, to procure a residence for the President free of rent, taxes and repairs, and your Committee consider that

the action of the Board of Directors in this regard indicates that while they may not have exceeded their legal powers they did not exercise that degree of prudence, care and judgment requisite in the premises.

Your Committee recommend that the whole transaction be reviewed and investigated by the Directors, with a view to ascertaining its legality, and if possible obtaining its recision.

11. *Off-Line Offices in the United States.*

In recent years a large number of Off-Line passenger and freight offices have been established in leading cities of the United States, with a view to obtaining traffic for both branches of the service.

Data received with respect to the expenses of and gross receipts from all such offices shows that results have been fairly satisfactory with respect to freight traffic but with respect to passenger traffic the results achieved so far have not been commensurate with the cost.

Your Committee investigated with some care the situation with respect to the New York passenger office now located at 673 Fifth avenue. The initial cost of acquiring these premises and of alterations amounted to the sum of $429,223.05, and the annual cost of operation including the rental of the premises 505 Fifth avenue, formerly occupied as passenger offices and which are still under lease and at present unoccupied, is now $252,902. The gross amount of passenger traffic sold in 1931 was $502,353, including transportation sold on other lines.

Your Committee recommend that the whole question of the New York and other Off-Line passenger offices should be carefully reviewed by the Management in conjunction with the Board of Directors.

Your Committee further recommend that careful consideration be given by the Management and by the Board to the question of closing such of the offices, both passenger and freight, as have not achieved satisfactory results, and also of co-operating with other Railway systems by joint arrangement so as to effect as much saving as possible.

12. *Pensions.*

A Memorandum respecting the various Pension schemes in effect was submitted to your Committee.

On December 31, 1931, there were 2,476 retired officials and employees on the Pension list and the total Pensions paid for 1931 amounted to $1,248,000.83.

These Pension systems comprise:—

(1) The Intercolonial and Prince Edward Island Railway Employees Provident Fund, which is still in force.
(2) The Grand Trunk Railway of Canada Superannuation and Provident Fund scheme, closed in 1907 and the presently subsisting Grand Trunk scheme.
(3) The Canadian National Railway Pension scheme, set up in 1929, and in force at the present time.

All of the above mentioned schemes have legislative sanction and authority, but inasmuch as in a return filed with your Committee it appears that during the past five years numerous employees received Pensions in excess of what the Pension schemes applicable to such employees call for your Committee are of opinion that attention should be called to this apparent excess of jurisdiction.

Your Committee are of opinion that the whole situation respecting Pensions should be reviewed, not with any view to reducing statutory Pensions but with the view to putting the Pension Schemes on a sound economic basis, including, if deemed desirable, the inclusion of the principle of contribution.

Your Committee are of opinion that inasmuch as the Pension schemes now in effect are statutory the payment of amounts in excess of the amounts called for by such schemes are not justified in principle, and your Committee recommend that the attention of the Board of Directors be called to this situation with a view to taking such action in the premises as may be deemed desirable and just, having regard to the fact that the principle of Pensions is an established principle and crystallized into Legislation.

13. Your Committee realizing that the exercise of political patronage or influence in the operation of this publicly-owned enterprise would do great injury recommend continued vigilance on the part of all concerned, to avoid the introduction of practices so detrimental to the public interest.

14. Your Committee recommend that the proceedings and evidence taken be printed as an Appendix to the Journals of the House, and that 700 copies be printed in Blue Book form, 500 in English and 200 in French.

15. Your Committee are glad to state that the report is unanimous.

A copy of the minutes of proceedings and evidence is tabled herewith.

All of which is respectfully submitted.

R. B. HANSON,
Chairman.

MINUTES OF PROCEEDINGS

THURSDAY, March 3, 1932.

The Select Standing Committee on Railways and Shipping met at 10.30 a.m.

Members present: Messrs. Bell (*St. Antoine*), Bothwell, Cantley, Euler, Gobeil, Hanson (*York-Sunbury*), Heaps, Kennedy (*Peace River*), McGibbon, Manion, Munn, Rogers, Stewart (*Lethbridge*).

On motion of Mr. Cantley,—

Resolved,—That Mr. Hanson be Chairman of the Committee.

Mr. Hanson took the Chair.

On motion of Mr. Heaps,—

Resolved,—That the Committee recommend to the House that 500 copies of proceedings and evidence which may be taken be printed, from day to day, and that Standing Order 64 be suspended in relation thereto.

Bill No. 21, An Act respecting the Canadian National Railways and to authorize additional provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1931.

The Minister of Railways and Canals made a statement outlining the need for the passage of the bill. Questions followed.

The preamble and the various sections having been agreed to, it was

Ordered,—That Bill No. 21 be reported without amendment.

On motion of Mr. Bothwell,—

Resolved,—That the Committee adjourn until Thursday, March 10, at 11 a.m.

THURSDAY, March 10, 1932.

The Select Standing Committee on Railways and Shipping owned, operated and controlled by the Government met at 11 a.m. Mr. Hanson, the Chairman, presided.

Members present: Messrs. Bell (*St. Antoine*), Bothwell, Cantley, Duff, Euler, Fiset (Sir Eugène), Fraser (*Cariboo*), Gobeil, Hanson (*York-Sunbury*), Heaps, McGibbon, Munn, Rogers.

Each member of the Committee was provided with a copy of a report, dated February 16, 1932, addressed to The Honourable The Minister of Railways from the Executive Committee of the Board of Directors of the Canadian National Railways. This report was made by the said executive committee in response to a recommendation contained in the Third and Final Report of the 1931 Select Standing Committee on Railways and Shipping owned, operated and controlled by the Government.

On motion of Mr. Euler,—

Resolved,—That, at the next meeting, the Committee will consider the report of the Executive Committee of the Board of Directors, and that Messrs. Boys and Smart, two members of the said executive committee, be invited to be present.

It was the opinion of the Committee that Sir Henry Thornton and Messrs. Hungerford, McLaren and S. W. Fairweather should be invited to attend the next meeting.

The Committee adjourned until Wednesday, March 16, at 11 a.m.

THURSDAY, April 7, 1932.

The Select Standing Committee on Railways and Shipping owned, operated and controlled by the Government, adjourned from March 10, met at 11 a.m. Mr. Hanson, the Chairman, presided.

Members present: Messrs. Beaubien, Cantley, Duff, Euler, Fraser (*Cariboo*), Gobeil, Gray, Hanson (*York-Sunbury*), Heaps, McGibbon, MacMillan (*Saskatoon*), Manion, Munn, Rogers, Stewart (*Lethbridge*).

Supplementary Estimates, 1931-32, Canadian National Steamships and Maritime Freight Rates Act (Items Nos. 312 and 313, totalling $2,242,474.83), were considered.

On motion of Mr. McGibbon,—

Resolved,—That the Committee recommend the above Supplementary Estimates, Items Nos. 312 and 313, to the House.

The Committee proceeded to consider a report, dated February 16, 1932, of the Executive Committee of the Board of Directors of the Canadian National Railways, addressed to the Minister of Railways. This report was made in reply to the Third and Final Report of the Railways and Shipping Committee of last session.

Mr. W. A. Boys, K.C., Director, Canadian National Railways, was called and heard.

Sir Henry Thornton, K.B.E., President of the Canadian National Railways, was called and heard.

Mr. S. W. Fairweather, Director, Bureau of Economics, Canadian National Railways, was called and heard.

Mr. Lucien Moraud, K.C., Director, Canadian National Railways, was called and heard.

The Committee adjourned until Tuesday, April 12, at 11 a.m.

TUESDAY, April 12, 1932.

The Select Standing Committee on Railways and Shipping owned, operated and controlled by the Government met at 11 a.m. Mr. Hanson (York-Sunbury), the Chairman, presided.

Members present: Messrs. Beaubien, Bell (St. Antoine), Bothwell, Duff, Fiset (Sir Eugene), Fraser (Cariboo), Gobeil, Hanson (York-Sunbury), Heaps, Kennedy (Peace River), McGibbon, MacMillan (Saskatoon), Munn, Power, Rogers, Stewart (Lethbridge).

Mr. Heaps asked Mr. S. W. Fairweather, Director, Bureau of Economics, Canadian National Railways, to try to provide, at the next meeting of the Committee, a statement showing the number of men employed by the Canadian National Railways during the last five years and the amount paid in wages during that period.

Mr. MacMillan asked Mr. S. J. Hungerford, Vice President, Operation and Construction Department, Canadian National Railways, to supply information respecting employment of men in 1930 and 1931 on the reconstruction of cars, engines, etc., indicating what portion of their wages was charged to capital account and operating account.

Hon. Mr. Rogers asked to be provided with the number of American citizens employed at Winnipeg.

On motion of Mr. McGibbon,—

Resolved,—That a sub-committee composed of three persons, present members of the Railways and Shipping Committee, shall be appointed by the Chairman of the said committee to investigate the expense account of officials, particularly for the year 1931; that the auditors of the company be instructed to assist them and to make such segregation and analysis of said accounts and vouchers as the sub-committee shall direct; and that a report shall be made at such date as said sub-committee shall direct; and further that said auditors be instructed to furnish such clerical assistance as shall place them in a position to report as aforesaid.

In pursuance of the foregoing resolution, the Chairman appointed Messrs. McGibbon, MacMillan and Euler as a sub-committee.

The Committee proceeded to the consideration of the 1931 Annual Report of the Canadian National Railway System, and of the Analysis of 1931 Operations as compared with 1930.

On motion of Mr. Stewart,—

Resolved,—That the Management of the Canadian National Railways be requested to submit to this Committee, as soon as possible, a copy of any resolution passed by the Board of Directors in relation to the Montreal house transaction and any other information that is of a written character, together with a memorandum covering the whole transaction.

On motion of Mr. MacMillan,—

Resolved,—That the Canadian National Railways furnish this Committee with a statement showing the number of "Form D-45" tickets they have issued in the last three years, and the amount of money that would be involved had the regular rates applied to the issue of such tickets.

Mr. Munn asked to be supplied with a statement showing the number of ties purchased during the past year, the number delivered, and the price paid.

Mr. Beaubien requested information respecting improvements made at the Chateau Laurier, Ottawa.

The Committee adjourned, to meet at the call of the Chair.

TUESDAY, April 19, 1932.

The Select Standing Committee on Railways and Shipping owned, operated and controlled by the Government met at 11 a.m. Mr. Hanson, the Chairman, presided.

Members present: Messrs. Beaubien, Bothwell, Cantley, Chaplin, Duff, Euler, Fiset (Sir Eugene), Fraser (Cariboo), Gobeil, Gray, Hanson (York-Sunbury), Heaps, Kennedy (Peace River), McGibbon, MacMillan (Saskatoon), Manion, Munn, Rogers, Stewart (Lethbridge).

The Committee resumed consideration of the Annual Report of the Canadian National Railway System for 1931.

Discussion took place respecting motor truck competition.

Sir Henry Thornton, K.B.E., President, Canadian National Railways; Mr. S. W. Fairweather, Director, Bureau of Economics, Canadian National Railways; and Mr. J. B. McLaren, Comptroller, Finance Department, Canadian National Railways, took part in the discussion.

The Committee adjourned, to meet at the call of the Chair.

TUESDAY, April 26, 1932.

The Select Standing Committee on Railways and Shipping owned, operated and controlled by the Government met at 11 a.m.; Mr. Hanson (*York-Sunbury*), the Chairman, presided.

Members present: Messrs. Beaubien, Bell (*St. Antoine*), Cantley, Chaplin, Duff, Euler, Fiset (Sir Eugène), Gobeil, Hanson (*York-Sunbury*), Heaps, Kennedy (*Peace River*), McGibbon, MacMillan (*Saskatoon*), Manion, Munn, Power, Rogers, Stewart (*Lethbridge*).

Bill No. 34, An Act respecting the Canadian National Railways and to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1932, was considered and agreed to.

Ordered,—To report Bill No. 34 without amendment.

On motion of Mr. Cantley,—

Resolved,—That the Committee request permission to sit while the House is sitting.

On a question of privilege, Mr. Cantley stated that he had been misreported on April 19 (page 66 of the printed Minutes of Evidence). The statement attributed to him, viz.: "Following that the railways made an application for an increase in freight rates" should have read: "Following that the railways made an application for an increase in express rates."

Copies were distributed to the members present of a statement in booklet form "Memorandum *re* Pension Schemes."

On motion of Mr. McGibbon,—

Ordered,—That Mr. G. Henri Seguin, % Decary, Barlow and Joron, Notaries, 132 St. James Street West, Montreal, be summoned to attend for examination on Tuesday, May 3, at 11 a.m.

Mr. MacMillan submitted a list of questions respecting the New York offices of the Canadian National Railways and the hotel at Kingston, Jamaica.

Mr. McGibbon asked to be supplied with information respecting medical services.

Mr. MacMillan requested information concerning the Canadian National Magazine.

Mr. Munn inquired regarding tie contracts. The Chairman ruled that these contracts were placed in connection with unemployment relief and did not come within the scope of the Order of Reference of this Committee. Mr. Power appealed from the Chairman's ruling. A standing vote was taken and the Chairman's ruling was sustained, Yeas 8, Nays 7.

Mr. MacMillan submitted a list of questions respecting superannuation.

Mr. MacMillan asked that a statement be provided indicating directors' expenditures and fees from 1928 to date.

The Committee resumed consideration of the 1931 Annual Report of the Canadian National Railway System.

The Committee adjourned until to-morrow at 11 a.m.

WEDNESDAY, April 27, 1932.

The Select Standing Committee on Railways and Shipping owned, operated and controlled by the Government met at 11 a.m. Mr. Hanson *(York-Sunbury)*, the Chairman, presided.

Members present: Messrs. Beaubien, Bell *(St. Antoine)*, Bothwell, Cantley, Chaplin, Duff, Euler, Fiset (Sir Eugene), Fraser *(Cariboo)*, Gobeil, Gray, Hanson *(York-Sunbury)*, Heaps, Kennedy *(Peace River)*, McGibbon, MacMillan *(Saskatoon)*, Manion, Munn, Power, Rogers, Stewart *(Lethbridge)*.

Sir Henry Thornton read and filed a statement made in response to a Resolution of the Committee, dated April 12, 1932, viz:—

Resolved,—That the Management of the Canadian National Railways be requested to submit to this Committee, as soon as possible, a copy of any resolution passed by the Board of Directors in relation to the Montreal house transaction and any other information that is of a written character, together with a memorandum covering the whole transaction.

Sir Henry Thornton's statement was discussed.

Ordered,—That the Agreement, dated 23rd September, 1929, between The Canadian National Railway Company and Major-General Sir Henry Worth Thornton, K.B.E., and the Agreement, dated 25th October, 1929, between His Majesty the King and Major-General Sir Henry Thornton, K.B.E., be incorporated in the proceedings. These two agreements form an appendix to this day's minutes of evidence.

Mr. W. A. Boys, Director of the Canadian National Railways, was questioned.

Sir Henry Thornton was heard respecting the Vancouver hotel.

The Committee adjourned until to-morrow at 11 a.m.

THURSDAY, April 28, 1932.

The Select Standing Committee on Railways and Shipping owned, operated and controlled by the Government met at 11 a.m. Mr. Hanson *(York-Sunbury)*, the Chairman, presided.

Members present: Messieurs Beaubien, Bell *(St Antoine)*, Bothwell, Cantley, Duff, Euler, Fraser *(Cariboo)*, Geary, Gobeil, Hanson *(York-Sunbury)*, Heaps, Kennedy *(Peace River)*, McGibbon, MacMillan *(Saskatoon)*, Manion, Munn, Power, Rogers, Stewart *(Lethbridge)*.

The Committee considered Items Nos. 314, 315, 316 and 317 of the Estimates for the current fiscal year (Canadian National Steamships and Maritime Freight Rates Act, $10,128,000). The Committee approved of these items with the reservation that opportunity be afforded to discuss them in the House.

Ordered,—To report recommending the items.

Written answers were supplied to questions previously asked, viz:—

1. Mr. Heaps—April 12—Number of men employed and wages paid during last five years.
2. Mr. MacMillan—April 12—Wages paid 1930 and 1931, and accounts to which these wages were charged.
3. Mr. MacMillan—April 26—Canadian National Railway Magazine.
4. Mr. MacMillan—April 26—Superannuation.

Hon. Mr. Manion asked for a statement showing the publicity costs for 1929, 1930 and 1931.

Mr. MacMillan asked for a statement showing expenses during 1929, 1930 and 1931, of the officials particularly charged with the work of publicity. Sir Henry Thornton and Mr. S. W. Fairweather commented on publicity.

The Chairman asked for a statement respecting the Archibald Contract, a copy of the contract, the expenditure incurred, the cost of the company's own architects and engineers, and all commissions and emoluments in connection with the Montreal Terminals, also a statement showing all expenses and fees incurred in connection with any other work "in which Mr. Archibald had a hand."

Mr. Kennedy asked for a statement showing legal expenses for the last three years (*a*) paid to whole-time lawyers of the company (*b*) paid to those outside of the company.

Mr. McGibbon asked for a statement showing commissions paid in respect of purchases of properties in connection with the Montreal Terminals.

Mr. MacMillan asked for a statement indicating the occasions during the last five years when directors have increased pensions. Sir Henry Thornton was heard on the subject of superannuation.

Mr. Cantley asked for a statement showing operating expenses of all hotels in 1930 and 1931, also total cost of Nova Scotian Hotel, Halifax, as at December 31, 1931.

Mr. McGibbon wants to know the cost of all hotels.

The Committee adjourned at 1 p.m. until 4 p.m. this day.

AFTERNOON SITTING

At 4 p.m. the following members were present: The Chairman (Mr. Hanson) and Messieurs Cantley, Fiset (Sir Eugene), Fraser, MacMillan, Munn, Power.

A quorum not being present, the Chairman announced that the Committee would meet on Tuesday, May 3, at 11 a.m.

TUESDAY, May 3, 1932.

The Select Standing Committee on Railways and Shipping owned, operated and controlled by the Government met at 11 a.m. Mr. Hanson (*York-Sunbury*), the Chairman, presided.

Members present: Messrs. Beaubien, Bell (*St. Antoine*), Cantley, Chaplin, Duff, Geary, Gobeil, Gray, Hanson (*York-Sunbury*), Heaps, Kennedy (*Peace River*), McGibbon, MacMillan (*Saskatoon*), Manion, Munn, Powers, Rogers, Stewart (*Lethbridge*).

The Chairman, on behalf of a member of the House of Commons, submitted a list of eight questions respecting (*a*) revenue (*b*) expenditure (*c*) grain tonnage (*d*) grain and storage elevators (*e*) foreign legislation to protect transportation companies.

Mr. G. Henri Séguin, Notary, Montreal Que., present in answer to summons, was called, sworn and examined respecting the house in Montreal purchased for occupation by Sir Henry Thornton.

On motion of Mr. Power,—

Ordered,—That Mr. Decary be summoned to testify respecting the Montreal house transaction.

On motion of Hon. Mr. Chaplin,—

Ordered,—That an official of the Montreal Trust Company be summoned to testify respecting the Montreal house transaction, the Chairman to determine which official shall be summoned.

Sir Henry Thornton was questioned regarding the Montreal house transaction.

On motion of Hon. Mr. Chaplin,—

Ordered,—That Hon. C. A. Dunning be summoned to testify respecting the Montreal house transaction.

Hon. Mr. Chaplin asked for a statement showing the expense account of Mr. J. Gill Gardner for the last two years he was connected with the company.

An answer was supplied to a question asked by Hon. Mr. Manion at a previous meeting respecting purchases made from 1923 to 1931.

Mr. Vaughan was heard respecting purchases with special reference to ties.

Mr. S. W. Fairweather was heard concerning ties.

Mr. Stewart asked what officers used private cars during the latter half of 1930 and their destinations.

Mr. Stewart asked for the expense accounts of R. W. Deacon and L. V. Hummel for the latter half of 1930, also the salaries, fees and expenses paid by the company or by any of its subsidiaries to G. A. Gaston from 1923 to date.

Hon. Mr. Chaplin asked what officials have automobiles at the expense of the company.

Mr. Gray asked for a comparison of number of tons of freight moved in 1925 compared with 1929, and number of passengers carried in 1925 compared with 1929.

Mr. Beaubien asked what reduction in train mileage took place last fall in Canadian National Railways and Canadian Pacific Railways.

Mr. Séguin was discharged from further attendance.

The Committee adjourned at 1 p.m. until 4 p.m.

AFTERNOON SITTING

The Committee resumed at 4 p.m. Mr. Hanson (*York-Sunbury*), the Chairman, presided.

Members present: Messrs. Beaubien, Bell (*St. Antoine*), Bothwell, Cantley, Chaplin, Duff, Euler, Fiset (Sir Eugene), Fraser (*Cariboo*). Geary, Gobeil, Gray, Hanson (*York-Sunbury*), Kennedy (*Peace River*), McGibbon, MacMillan (*Saskatoon*), Manion, Munn, Power, Rogers, Stewart (*Lethbridge*).

Answers were supplied to questions previously asked by:

1. Mr. Cantley, respecting expenses of hotels, and particularly the Nova Scotia Hotel, Halifax.
2. Mr. Bell, respecting the Montreal Terminals.
3. Mr. Cantley, respecting profit accrued from foreign lines, also as regards routing traffic via Maritime ports.
4. Mr. Kennedy, respecting legal expenses. Sir Henry Thornton was heard regarding legal expenses.
5. Mr. Stewart, respecting house property in Montreal leased for officials of the company.
6. Mr. MacMillan, regarding the Jamaica hotel. Mr. W. S. Fairweather was heard respecting the Jamaica hotel.

Mr. Anderson, Law Branch, Department of Railways and Canals, Ottawa spoke briefly regarding the Jamaica hotel.

Mr. McGibbon, on behalf of the sub-committee appointed on April 12, referred to a visit made to the Montreal offices and produced a memorandum, read into the record, requesting that information be supplied by officials of the company in regard to certain expense accounts.

Mr. MacMillan, another member of the sub-committee, was also heard.

The Committee adjourned until to-morrow at 4 p.m.

WEDNESDAY, May 4, 1932.

The Select Standing Committee on Railways and Shipping owned, operated and controlled by the Government met at 4 p.m. Mr. Hanson *(York-Sunbury)*, the Chairman, presided.

Members present: Messrs. Beaubien, Bell *(St. Antoine)*, Cantley, Chaplin, Duff, Euler, Fiset (Sir Eugene), Fraser *(Cariboo)*, Geary, Gobeil, Gray, Hanson *(York-Sunbury)*, Kennedy *(Peace River)*, McGibbon, MacMillan *(Saskatoon)*, Manion, Munn, Power, Stewart *(Lethbridge)*.

Hon. Charles A. Dunning, former Minister of Railways and Canals, was called, examined and discharged.

Mr. Ernest R. Décary of Montreal, Que., former Director of the Canadian National Railways, was called, sworn, examined and discharged.

Mr. Henry J. Knubley, manager, Montreal Trust Company, Montreal, Que., was called, sworn, examined and discharged.

The Committee adjourned until Tuesday, May 10, at 11 a.m.

TUESDAY, May 10, 1932.

The Select Standing Committee on Railways and Shipping owned, operated and controlled by the Government met at 11 a.m. Mr. Hanson *(York-Sunbury)*, the Chairman, presided.

Members present: Messrs. Beaubien, Bell *(St. Antoine)*, Bothwell, Cantley, Chaplin, Duff, Euler, Fraser *(Cariboo)*, Gobeil, Gray, Hanson *(York-Sunbury)*, Heaps, Kennedy *(Peace River)*, McGibbon, MacMillan *(Saskatoon)*, Manion, Munn, Power, Rogers, Stewart *(Lethbridge)*.

On motion of Hon. Mr. Chaplin,—

Ordered,—That the amount of $10 claimed by Mr. G. Henri Seguin of Montreal for sending a copy of the deed of sale in connection with the Montreal house purchase, requested by the Chairman on May 3rd and received on May 7th, be paid.

Mr. McGibbon moved that the information asked for in the following memorandum be presented to this Committee, viz:—

MONTREAL, April 20, 1932.

Memorandum for Mr. J. B. McLaren, Comptroller, Canadian National Railways

Confirming verbal request as a result of a partial examination of headquarters expense accounts, we would ask you to furnish the Sub-Committee enquiring into the same with the following:—

(A) Copies of expense vouchers, and supporting statements showing the itemized amounts, for the years 1930 and 1931 for the officials enumerated below. The name of the official might be left off, so long as the voucher is keyed to the letter designation placed opposite each name. The receipts attached to the voucher need not be copied but where these occur, the letter "V" might be shown opposite the corresponding item to indicate that a voucher was filed to support the expenditure. In the case of officials not required to submit receipts, a notation to such effect might be made on the account.

A.—Col. Hiam,
B.—Dr. McCombe,
C.—W. D. Robb,
D.—G. A. Caston,
E.—C. W. Johnston,
F.—W. S. Thompson,
G.—G. H. Lash,
H.—C. F. Goldthwaite,
I.—A. J. Hills,
J.—R. B. Teakle,
K.—P. M. Butler.

Also, from other regions:—

L.—C. G. Bowker,
M.—W. J. Barber,
N.—C. J. Smith.

We also should like to receive a statement showing for the years 1930 and 1931 the amounts, not included in the expense accounts of officials, expended for the operation of private and business cars while in the service of such officers, including provisions drawn from stores. The expenses of the President in this connection should be stated separately.

It is desired also to have furnished copies of the monthly statements of disbursements in the years 1930 and 1931 from the so-called Hobbs & Shaw Trust Account, showing for each item of $25 or over the destination and purpose of the payment, briefly stated. It may be that you will have to refer this request to Mr. Hobbs in whose custody the accounts appear to be.

It will be appreciated if the copies of vouchers for those at headquarters are furnished as soon as possible, following later with those referred to from other regions.

(Sgd.) F. R. MACMILLAN.
(Sgd.) PETER MCGIBBON.

In amendment to the foregoing, it was moved by Hon. Mr. Euler,—

Whereas with the limited time at their disposal, and after an investigation of only a few hours, two members of a sub-committee, namely, Messrs. McGibbon and MacMillan, would not be able to obtain such complete information as

will enable them to present a true picture of the situation which these gentlemen have under review, involving as it does the examination of disbursements approximating $1,900,000 covering the travelling expenses of 3,500 persons distributed amongt 43,000 accounts;

Whereas the recognized custom of large corporations is to deal with matters of administrative details, such as expense accounts, through duly constituted boards or sub-committees thereof, who enjoy the confidence of the shareholders;

Whereas the Board of Directors and the management of the Canadian National Railways are fully empowered, and can most effectively deal with such matters;

Whereas a sub-committee of the executive of the Board of Directors of the Canadian National Railways is at the present time inquiring into matters similar to that to which the attention of Messrs. McGibbon and MacMillan has been directed;

Whereas this Committee is of opinion that the isolation and presentation to the public of the expense accounts of approximately ten or twelve officials and their ex parte analysis will only serve to impair the morale of the Canadian National organization, and prejudicially affect the efficiency of the Canadian National Railways system itself.

Resolved that any report of Messrs. McGibbon and MacMillan be submitted to the Executive Committee of the Board of Directors of the Canadian National Railways for its information and such action as may be thought fit and proper in the circumstances.

The question being put on the amendment by Hon. Mr. Euler, it was negatived on a recorded vote, viz: Yeas: Messrs. Beaubien, Bothwell, Duff, Euler, Gray, Heaps, Munn, Power—8. Nays: Messrs. Cantley, Chaplin, Fraser, Gobeil, Kennedy, McGibbon, MacMillan, Rogers, Stewart—9.

The question being put on Mr. McGibbon's motion, it was resolved in the affirmative on the same recorded division, reversed.

Answers were supplied to questions asked at previous meetings of the Committee by Messrs. Gray, Bell, Beaubien, MacMillan and McGibbon.

The question of medical attention afforded to employees of the Canadian National Railways was discussed, and Dr. McCombe, Chief Medical Officer, was heard thereon.

Answers were supplied to Hon. Mr. Manion respecting Publicity and Publicity Costs.

Mr. McGibbon asked to be supplied with a list of those taking part in broadcasts and the salaries paid within the last few years.

Answers were supplied in response to questions by Mr. Bell respecting Hudson Bay Railway.

On motion of Hon. Mr. Chaplin,—

Ordered,—That a statement in gross of each of the expense sheets of the present directors of the Canadian National Railways for the period of the fiscal year 1931 be supplied.

The Committee adjourned until 4 p.m.

The Committee resumed at 4 p.m. Mr. Hanson *(York-Sunbury)*, the Chairman, presided.

Members present: Messrs. Beaubien, Cantley, Chaplin, Duff, Euler, Fiset (Sir Eugene), Fraser *(Cariboo)*, Gobeil, Gray, Hanson *(York-Sunbury)*, Heaps, Kennedy *(Peace River)*, McGibbon, MacMillan *(Saskatoon)*, Manion, Munn, Power, Stewart *(Lethbridge)*.

The Committee reviewed the booklet, "Canadian National Railways—Estimated Financial Requirements—1932."

Sir Henry Thornton was heard respecting co-operation with the Canadian Pacific Railway Company.

Mr. Burnap, Vice-President of Traffic, Canadian National Railways, spoke briefly respecting Excursion Trains.

The Committee agreed to approve of the contents of the said "Canadian National Railways—Estimated Financial Requirements—1932," subject to the right to discuss later any subject pertinent thereto.

The Committee adjourned until to-morrow at 4 p.m.

WEDNESDAY, May 11, 1932.

The Select Standing Committee on Railways and Shipping, in accordance with notice given, met at 4 o'clock, p.m., Mr. Hanson, the Chairman, presiding.

Members of the Committee present: Messieurs Beaubien, Bell *(St. Antoine)*, Bothwell, Cantley, Chaplin, Duff, Euler, Fiset (Sir Eugéne), Fraser *(Cariboo)*, Geary, Gobeil, Gray, Hanson *(York-Sunbury)*, Kennedy *(Peace River)*, McGibbon, MacMillan *(Saskatoon)*, Manion, Munn, Power, Rogers and Stewart *(Lethbridge)*—21.

Sir Henry Thornton stated that they were prepared to furnish answers to a number of outstanding questions, as follows:—

Question by Mr. Rogers: How many Americans employed in Canadian National Railway shops at Winnipeg? Answer: Thirteen.

Question by Mr. Munn: Number of ties purchased during the past year, the number delivered and the prices paid?
Answer: Contracted for 4,428,663; delivered, 4,019,965; price paid, $2,559,-441.34.

Discussion followed.

On motion of Mr. Chaplin it was ordered: That a list of all the contracts for railway ties during the years 1930 and 1931 be supplied to the Committee, together with the names of the contractors supplying the ties.

Mr. Fairweather read a statement containing detailed information respecting expenses of directors in connection with directors and executive committee during 1931. (See evidence.)

Question by Mr. McGibbon: Respecting commissions paid in connection with the acquisition of property for Montreal Terminal, "Development," Chap. 12, 1929. Statement read by Mr. Fairweather. (See evidence.)

Question: How many employees in Legal Department in 1929, 1930 and 1931, divided between lawyers and others. (See evidence.)

Questions, *re* New York Office Building. Long detailed statement read to the Committee in connection with the acquisition of the property, and all matters arising therefrom.

Considerable discussion followed respecting the matter under review. (See evidence.)

Question by Mr. MacMillan, to be supplied: Rentals of offices in Boston, Buffalo, Detroit, Pittsburgh, Philadelphia, Minneapolis, Los Angeles, Chicago and Portland, earnings and costs.

Some discussion respecting London and Paris offices.

Discussion on passenger and freight business of the railways, excursion and week-end cut rates, automobile and bus competition, etc.

It being six o'clock the Committee adjourned to meet again to-morrow, Thursday, at 11 o'clock, a.m.

THURSDAY, May 12, 1932.

The Select Standing Committee on Railways and Shipping owned, operated and controlled by the Government met at 11 a.m. Mr. Hanson (*York-Sunbury*), the Chairman, presided.

Members present: Messrs. Beaubien, Bell (*St. Antoine*), Bothwell, Cantley, Chaplin, Duff, Euler, Fiset (Sir Eugene), Fraser (*Cariboo*), Geary, Gobeil, Gray, Hanson (*York-Sunbury*), Heaps, Kennedy (*Peace River*), McGibbon, MacMillan (*Saskatoon*), Manion, Munn, Power, Rogers, Stewart (*Lethbridge*).

Questions asked at previous sittings of the Committee were answered, viz:

1. Mr. MacMillan—Rentals for freight and passenger offices in United States.

2. Mr. McGibbon—Ratio between operating profit and interest on debt we owe to the public, 1923-1931. Incidental to the answer supplied to Mr. McGibbon.

The Maritime Freight Rates Act was discussed, followed by discussion respecting freight charges from points outside of the maritime zone.

Mr. Burnap, Vice President of Traffic, was heard respecting freight rates.

3. Mr. MacMillan—Money received by President Sir Henry Thornton in lieu of rent. Sir Henry Thornton was heard in explanation.

4. Mr. Kennedy—Cost of passenger service and cost of freight service.

5. Mr. Stewart—Payments made to Mr. G. A. Gaston. Sir Henry Thornton outlined at considerable length the duties performed by Mr. Gaston. Hon. Mr. Manion commented on Mr. Gaston.

6. Mr. Hanson—"Archibald" contracts. Mr. S. J. Hungerford, Vice President of Operation and Construction, made a general statement and replied to several questions.

7. Mr. Duff—Bonds issued respecting Sunnybrae-Guysboro branch lines (Question asked in House). Mr. P. M. Anderson, Law Branch, Department of Railways and Canals, was questioned.

Mr. Kennedy asked for information relative to a statement regarding Revenue contained on page 3 of the "Analysis of 1931 Operations as Compared with 1930". Sir Henry Thornton and Mr. S. W. Fairweather, Director, Bureau of Economics, replied.

Mr. Beaubien requested an early answer to a question previously asked by him respecting repairs to the Chateau Laurier suite occupied by the Prime Minister.

The Committee adjourned at 1 p.m. until 4 p.m. this day.

The Committee resumed at 4 p.m. Mr. Hanson (*York-Sunbury*), the Chairman, presided.

Members present: Messrs. Beaubien, Bothwell, Cantley, Chaplin, Duff, Euler, Fiset (Sir Eugene), Fraser (*Cariboo*), Gobeil, Gray, Hanson (*York-Sunbury*), Heaps, Kennedy (*Peace River*), McGibbon, MacMillan, (*Saskatoon*), Manion, Munn, Power, Stewart (*Lethbridge*).

Questions asked at previous sittings were replied to viz:

1. Mr. McGibbon—List of those taking part in radio broadcasting and salaries paid (*replied to in part*).

2. Mr. Duff—Steam coal shipments 1931. Discussion took place respecting possible economies which could be effected by purchasing non-Canadian goods. Sir Henry Thornton and Mr. Vaughan were heard.

3. Mr. MacMillan—Number of men employed in Colonization Department in Europe.

The Chairman announced that he had tried to get the Prime Minister to attend the Committee this afternoon in connection with Mr. Beaubien's enquiry respecting the Chateau Laurier suite. Pressing business, however, detained the Prime Minister in the House of Commons.

The question of tie contracts was again discussed.

There were filed with the Committee expense accounts for 1930 of the executive officers of the Canadian National Railways.

The Committee considered the Annual Report of the Canadian Government Merchant Marine Limited and Canadian National (West Indies) Steamships Limited for 1931. Mr. A. H. Allan, General Manager, was heard. On motion of Mr. Duff, the Committee adopted the Report.

The Committee adjourned until to-morrow at 11 a.m.

FRIDAY, May 13, 1932.

The Select Standing Committee on Railways and Shipping owned, operated and controlled by the Government met at 11 a.m. Mr. Hanson (York-Sunbury), the Chairman, presided.

Members present: Messrs. Beaubien, Bell (St. Antoine), Bothwell, Cantley, Chaplin, Duff, Euler, Fraser (Cariboo), Gobeil, Gray, Hanson (York-Sunbury), Heaps, Kennedy (Peace River), McGibbon, MacMillan (Saskatoon), Manion, Munn, Power, Rogers, Stewart (Lethbridge).

An answer was supplied to Mr. Beaubien's question, asked at a previous sitting, respecting the cost of alterations made in the Chateau Laurier suite occupied by the Prime Minister.

The Rt. Hon. R. B. Bennett, Prime Minister, was heard with reference to the subject matter of Mr. Beaubien's question, and as regards the private railway car provided for his use.

Sir Henry W. Thornton, President of the Canadian National Railways, addressed the Committee regarding both matters.

Answers were supplied to questions previously asked, viz:—

1. Dr. Duff—Private railway car supplied for Rt. Hon. Mr. Bennett.

2. Hon. Mr. Manion—Private railway cars supplied for Rt. Hon. Mr. Mackenzie King.

3. Hon. Mr. Manion—Comparisons of freight rates, Maritimes and Ontario-Quebec.

(This information is printed as Appendix "A" to evidence taken this day.)

4. Hon. Mr. Chaplin—Placement of tie contracts for delivery in 1930.

(This information is printed as Appendix "B" to evidence taken this day.)

Placement of tie contracts for delivery in 1931.

(This information is printed as Appendix "C" to evidence taken this day.)

On motion of Mr. Duff,—

Resolved,—That all reports before the Committee for consideration be now passed.

The Committee adjourned until Tuesday, May 17, at 11 a.m.

TUESDAY, May 17, 1932.

The Select Standing Committee on Railways and Shipping owned, operated and controlled by the Government met in camera at 11 a.m. Mr. Hanson *(York-Sunbury)*, the Chairman, presided.

Members present: Messrs. Beaubien, Bell *(St. Antoine)*, Bothwell, Cantley, Chaplin, Duff, Euler, Fraser *(Cariboo)*, Gobeil, Gray, Hanson *(York-Sunbury)*, Heaps, Kennedy *(Peace River)*, McGibbon, MacMillan *(Saskatoon)*, Manion, Munn, Power, Rogers, Stewart *(Lethbridge)*.

The Committee commenced to review the evidence adduced.

At 12.15 p.m., by invitation of the Committee, Sir Henry W. Thornton, K.B.E., President; Mr. S. J. Hungerford, Vice-President of Operation and Construction; Mr. D. C. Grant, Vice-President of Finance and Accounting, and Mr. V. I. Smart, Deputy Minister of Railways and Canals, attended and were severally heard respecting the control of expenditure.

At 12.40 p.m., the above-named witnesses retired, and the Committee continued in camera.

The Committee adjourned at 1 p.m. until 4 p.m.

AFTERNOON SITTING

The Committee resumed in camera at 4 p.m. Mr. Hanson *(York-Sunbury)*, presided.

Members present: Messrs. Beaubien, Chaplin, Euler, Fraser *(Cariboo)*, Gray, Hanson *(York-Sunbury)*, Heaps, Kennedy *(Peace River)*, MacMillan *(Saskatoon)*, Manion, Munn, Power, Rogers, Stewart *(Lethbridge)*.

The Committee continued their review of the evidence adduced.

The Committee adjourned at 5.10 p.m., until to-morrow, May 18, at 4 p.m.

WEDNESDAY, May 18, 1932.

The Select Standing Committee on Railways and Shipping owned, operated and controlled by the Government met in camera at 4 p.m. Mr. Hanson (*York-Sunbury*), the Chairman, presided.

Members present: Messieurs Beaubien, Bothwell, Chaplin, Duff, Euler, Fraser *(Cariboo)*, Geary, Gobeil, Gray, Hanson *(York-Sunbury)*, Heaps, Kennedy *(Peace River)*, McGibbon, MacMillan *(Saskatoon)*, Manion, Munn, Power, Rogers, Stewart (*Lethbridge*).

The Chairman submitted and read a draft report as a suggested basis for the Committee's final report to the House.

The Committee considered the draft report.

The Commitee adjourned at 6 p.m., to meet at the call of the Chair.

THURSDAY, May 19, 1932.

The Select Standing Committee on Railways and Shipping owned, operated and controlled by the Government met in camera at 4.45 p.m. Mr. Hanson (*York-Sunbury*), the Chairman, presided.

Members present: Messieurs Beaubien, Bell (*St. Antoine*), Bothwell, Chaplin, Duff, Euler, Fraser (*Cariboo*), Geary, Gray, Hanson (*York-Sunbury*), Heaps, Kennedy (*Peace River*), McGibbon, MacMillan (*Saskatoon*), Manion, Munn, Power, Rogers, Stewart (*Lethbridge*).

The Committee resumed consideration of the draft report.

The Committee adjourned at 6 p.m. until 8 p.m.

The Committee resumed at 8 p.m. Mr. Hanson (*York-Sunbury*), the Chairman, presided.

Members present: Messieurs Beaubien, Bothwell, Chaplin, Duff, Euler, Geary, Gray, Hanson (*York-Sunbury*), Heaps, Kennedy (*Peace River*), McGibbon, MacMillan (*Saskatoon*), Munn, Power, Stewart (*Lethbridge*).

The Committee concluded consideration of the draft report.

As amended, the draft report was unanimously adopted and was ordered to be presented to the House as the Seventh and Final Report of the Committee.

On motion of Mr. Gray, a vote of thanks was tendered to the Chairman, Mr. Hanson (*York-Sunbury*).

The Committee adjourned.

MINUTES OF EVIDENCE

House of Commons, Room 231,

March, 3, 1932.

The Select Standing Committee on Railways and Shipping met at 10.30 a.m. to consider Bill 21, an Act respecting the Canadian National Railways and to authorize additional provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1931.

Mr. Hanson, the Chairman, presided.

Hon. Mr. Manion: May I say a word in regard to this bill, but before mentioning the bill I may say to you that in the committee meetings last year we passed some resolutions in the final report dealing with salaries and various other matters—expenses of various kinds. The directors have dealt with them and have made a report to me to present to you. I am having the report typed this morning because I want to keep a copy in my own office. When I have it copied in a day or two I shall give to you, Mr. Chairman, the report of the directors in regard to the recommendations of the committee last year. Then, if it is desired—and I presume it will be—there is no reason why you should not have the chairman of the directors sub-committee who dealt with this matter before you and discuss the matter with him at the same time as you have the officers here to discuss the various affairs of the national road. I understand Mr. W. A. Boys was the Chairman of the sub-committee of directors who dealt with the various proposals that were put before the directors last year and I told Mr. Boys myself that in all probability you would want him here before you to discuss some sections of the report and to give you the reason for doing this, that and the other thing or, perhaps, for leaving undone the things that you think should have been done. If it is the desire of the committee at one of your later meetings that you should have some of the directors here as well as some of the officers of the company there is no reason why you should not.

Now, with reference to this morning's business I may say that the annual report of the national roads will not be ready for about two weeks so far as I can find out. They gave me a list of dates recently upon which in previous years they have presented their reports to the parliament of Canada, and it has always been about March 15th or later. But I am hoping they will have their annual report by about the 15th of March or possibly a little sooner, and as soon as it is ready I shall present it to the house and then it will be up to the committee to have these statements of accounts that your Chairman has mentioned and to study them in order that you may deal with them.

However, in the meantime, the Canadian National Railways is in need of money, and they estimate that if they can get this supplementary bill passed which we passed in the House of Commons the other day and referred to the committee, covering the amount of $11,372,000, it will carry them on until you have had time to deal with the regular estimates and pass some of these estimates back to the House to supply them with further money. They are badly in need of money because unfortunately—I will say this before I mention the Bill further—unfortunately the conditions in the railway world are not improving very much. This year, even as compared with last year, the returns are down in round figures about $600,000 a week in the gross returns of the Canadian National Railway. The C.P.R. may not be quite so bad, but they are about

in proportion. I explained the Bill in the House the other day, and the chairman and I talked about it and decided that the explanation which had been given me was rather a complicated explanation, and I worked out an explanation of my own which I think, is much simpler. As we have it in the Bill there is a debit and a credit and a debit and a credit and about the time you got to the second debit naturally there was a bit of confusion. I have put the debits first and the credits afterwards, and it is much simpler, and I have used round figures. First I shall give you the debit—the increase in needs. They had put in an estimate last year of an estimated deficit so far as paying interest to the investing public was concerned of $31,000,000. Hansard contained a typographical error and made it $51,000,000 instead of $31,000,000. This statement shows that the real estimate in round figures is $52,000,000. Thus they need $21,000,000 more to meet this interest to the public. Second, equipment, principal payment, sinking funds etc., $492,000, which is also in addition to what they estimated for last year. Their estimate is three million, and it is $492,000 more than that. I am giving you the round figures. Finally, there was an $11,000,000 item which as I explained to the house the other day was for the purpose of paying the 75% of the equipment. Their method of buying equipment in the past has always been on the Philadelphia Plan; they pay 25% cash, which the parliament of Canada has been meeting regularly, and then the other 75% is raised on lien notes—something akin to a chattel mortgage—from American banking institutions. This $11,000,000 is the other 75%. But because of the difficult financial situation in the United States at the present time they could not borrow this $11,000,000, and they have to fall back on the government of Canada to give it to them. Taking these three items together they amount in more or less round figures to $32,393,000.

Then, we have the credits against that. The first item is additions and betterments. They put in an item last year for additions and betterments to cover their needs of $20,687,000, or nearly $21,000,000 for additions and betterments. Out of that they spent $6,900,000 which leaves out of that item $13,700,000 which, according to the Act of last year, they are permitted, if the deficit went to a greater extent than they had intended or expected, to apply to the deficit. Now, that is a credit of $13,700,000. The second item is $7,331,000 which is explained in this way. They put out a $70,000,000 bond issue in 1931. The government had handed over the proceeds to them, and they had remaining, which they might have spent according to the statutes of last year, $7,331,000.

Now, it is, perhaps, of interest to know what that was supposed to be spent upon last year. I will give you the figures. Montreal Terminal $4,293,000, which was not spent; Toronto Terminal $1,356,000, which was unspent; Branch Line $1,635,000 which was unspent; Northern Alberta Railway $45,800, which was unspent. In this Bill you will notice in clause 2 there is permission to use this $7,000,000 cash which they got for other purposes. Taking those two items together $13,700,000 and $7,000,000 odd that makes a credit of $21,000,000 and leaves the balance which is provided for in the Bill of $11,372,498.86.

Hon. Mr. EULER: The amount for the Montreal Terminal was $4,000,000?

Hon. Mr. MANION: Yes.

Hon. Mr. EULER: Was none of that expended?

Hon. Mr. MANION: They put in, I think, $8,000,000 for the Montreal terminals last year, but they only spent—I think I have the exact figure here—$3,000,000 or $4,000,000.

Hon. Mr. EULER: Has the work stopped altogether?

Hon. Mr. MANION: Yes. It is practically stopped. I have not gone into a lot of detail. They spent $6,000,000 out of $8,000,000 which left them $2,000,000, and while I have put down here $4,293,000, there are some other credits mixed up with it, giving the figure I have mentioned.

Mr. MCGIBBON: What is the total expenditure at the present time?

Hon. Mr. MANION: At the Montreal Terminals? In round figures, $15,000,000.

Mr. MCGIBBON: Does that include the cost of land?

Hon. Mr. MANION: Yes. More than half of it is land.

Mr. MCGIBBON: Is that all paid for?

Hon. Mr. MANION: No. There is some land unpaid for. You will notice in this year's estimate an item for Montreal Terminal of two or three million dollars odd. That will be to pay for some of the land which has been expropriated and which they cannot do otherwise than pay for.

The CHAIRMAN: There has been a big suit with Mr. George W. Stevens which has just been decided in the Exchequer court and which makes a little over $15,000,000.

Mr. MCGIBBON: Arising out of that there is something that might facilitate the business of this committee. The estimates will not be down for a couple of weeks and it is getting pretty near Easter when, possibly, an adjournment will take place and will throw the work of the committee well on to the end of the session. Of course, it is inevitable that we take up our final report last year and see what the directors have done—how far they have carried out our instructions and so forth—and it has just struck me that we probably might deal with that before the regular estimates are brought in.

The CHAIRMAN: That could be done if that is the wish of the committee.

Mr. MCGIBBON: I think we could do that without calling on the board of directors. We got all our information last year from Mr. Fairweather the statistician of the railway, and possibly, we can do so again.

The CHAIRMAN: May I ask, gentlemen, that we proceed in a little more orderly way. Will somebody make a motion that the proceedings be printed?

Motion carried.

The CHAIRMAN: We have now before us Bill No. 21 which has been referred to us by the house—the Canadian National Railways Financing Act. This Bill has been distributed. The explanatory note in the Bill is as follows: "The object of this Bill is to authorize the Canadian National Railway Company to issue additional securities to the extent of $11,372,498.86 for the purpose of the year 1931 of financing where the amounts available from net operating income and investment were insufficient." The Minister has been good enough to give us an explanation of just how that amount is made up. I have in front of me the statement from the Accounting department dated the 25th of February, 1932, which sets out in tabulated form just how this amount is arrived at. It would seem to me to be a good thing if this sheet could be put in the proceedings so that members could study these figures quietly by themselves.

Hon. Mr. MANION: The first sheet of the report.

The CHAIRMAN: Have you those documents?

Mr. MCGIBBON: Yes.

The CHAIRMAN: I did not know that it had been distributed; I had not seen it before. You will note the amount authorized was $68,500,000. You remember there was a bill covering that amount. The actual requirements were $79,872,-498.86, made up of the additional debits and credits that are noted there in red. It was a synopsis of this statement that the Minister gave, and a simplification of it. My understanding of the situation of the National Railways is that the railways cost the country last year about $112,000,000. For the purpose of getting a true picture of the situation on the record, I wonder if the Minister will be good enough to give the committee an idea of how this $112,000,000 is made up.

Hon. Mr. MANION: Yes. I was going to do that when the regular estimates are brought down in the house, because it is a very complicated matter. You read in the press that there is a deficit of $56,000,000 this year. That is quite correct. Then, you read that the railways cost the country $112,000,000. That is also quite correct, but the difference is this: that $56,000,000 deficit is merely the deficit on operating accounts so far as paying interest to the investing public is concerned. The investing public is owed interest to the extent of $57,000,000 this year including Eastern lines, but if we take the one million surplus off that amount, it leaves a deficit in interest to the public of $56,000,000. Then there are additions and betterments, hotels, and some other items in the estimate of last year which totalled $87,000,000. But in addition to that there are statutory requirements, and I shall read them to you: there are the maritime freight rates, about $10,000,000.

Hon. Mr. EULER: Surely, the maritime freight rates are not charged against the railway. The government reimburses the railway for that.

Hon. Mr. MANION: We had to put it up on railway account. That is the point. It is a loss on the railway. It is charged against the country on railway account. There is no question about that. We will not argue that just now.

Hon. Mr. EULER: On maritime account.

The CHAIRMAN: Put it any way you like.

Hon. Mr. MANION: That is $10,000,000. Then, there is an item which I do not think should be chargeable to railways, and that is the Canadian Government Merchant Marine and West Indies steamships, which amounts to $1,000,000. That is part of the $112,000,000. Then, there are statutory items passed last year, branch lines, a little over $5,000,000; Toronto terminals, $1,000,000; Montreal terminals, $6,000,000; Northern Alberta Railway Company, $395,000; St. John and Quebec Railway, $250,000. If you add these figures, you will find that they make roughly a total of $112,000,000, instead of the estimated $87,000,000 of last year: in other words, the deficit on interest, plus the statutory requirements, and additions and betterments.

The CHAIRMAN: Gentlemen, when I called for this discussion, I was not aware that another committee was to meet here at eleven o'clock. Unless this committee wants to proceed and hold over the other committee, I think we had better go on with the bill.

Sections 1, 2, 3, 4, 5 and 6 carried.

The CHAIRMAN: Shall I report the bill?

Carried.

Some consideration should be given by this committee to these matters; among other things, they include the direction to the Board of Directors to deal with certain phases of the administration. What is the wish of the committee?

Hon. Mr. EULER: I would suggest, before we discuss the matter, that we should have one or two of the members of the railway present.

The CHAIRMAN: Quite right. I agree they should be present.

Mr. McGIBBON: It is a matter largely of getting a report from the chairman, or from Mr. Fairweather, who is the statistician of the National Railways, as to whether our recommendations have been carried out or not.

Hon. Mr. MANION: I do not think Mr. Fairweather will be in a position to help you in that matter. I think Mr. Boys, who is the chairman of the committee of the directors, and who dealt with your recommendations, would be the proper man to have here.

The CHAIRMAN: I do not think that Mr. Fairweather can help us.

Mr. McGIBBON: Mr. Fairweather has all the information. He is a statistician. He would have information in regard to the $100,000 fees that was taken out of the treasury to pay the club fees of the officials. He is the man to tell us whether that was done or not.

Hon. Mr. MANION: We can have him here.

Mr. McGIBBON: I do not think Mr. Boys would have any information.

The CHAIRMAN: The question is shall we adjourn to this day week?

The Committee adjourned until Thursday, March 10th.

HOUSE OF COMMONS, ROOM 497,

THURSDAY, April 7, 1932.

The Select Standing Committee on Railways and Shipping met at 11 a.m., Mr. R. B. Hanson, presiding.

The CHAIRMAN: Gentlemen, I understand that the Minister is very anxious to have the supplementary estimates for 1931-1932, which are now being distributed among you, aggregating $2,242,478.83, of which $161,568.53 is for the Canadian National (West Indies) Steamships, and the balance for the Maritimes Freight Rates Act, passed first, in order that it may be given assent in Parliament, without prejudice, however, to discussion on those particular items that may come up at a later stage. So, if it is the wish of the Committee, we might proceed on those two items and get them off the slate.

Mr. SMART (*Deputy Minister*): These are the supplementaries for 1931. In order to get a release of this money to apply on 1931 expenditures we are anxious to get those items through and report it to the House.

The CHAIRMAN: The officials of the Company are here, and, if anyone requires any explanation of those items, they will be glad to give it.

If not, it will be in order to pass those estimates.

Dr. MCGIBBON: I move they be passed.

Hon. Mr. ROGERS: Before they are passed, I would like some explanation in regard to the two-million-dollar item.

The CHAIRMAN: This is the additional amount in excess of the item of six million already reported.

I may say that there is some objection in the Maritime Provinces to the lumping of these two items together. An article appeared in the St. John *Telegraph* recently about it. Those two items, I understand, cover the 20 per cent arranged for under the Maritime Freight Rates Act to reimburse the Canadian National Railways out of the public treasury, and also the loss on Eastern Lines.

Mr. SMART: That is correct.

The CHAIRMAN: If those two items could be severed, so that the record would be clear for the public, particularly that part of the public of Canada, I think it is advisable that it should be done.

Mr. SMART: The $2,080,906 is the deficit. As a matter of fact the Maritime Freight Rates Act payments this year are $565,000 below what your estimate was for them last year.

The CHAIRMAN: In other words the total vote of last year, under the Maritime Freight Rates Act of 1927, was $2,450,632, whereas the actual requirements were $1,885,000, or a saving of $565,632.

Do you require any further explanation, Mr. Rogers?

Hon. Mr. ROGERS: No. I did not understand what it was about at all.

The CHAIRMAN: I suggest that this sheet be included in the Proceedings. It sets them out at some length.

Mr. FRASER: Is the reduction in traffic responsible for the increased deficit?

Mr. SMART: That is what caused the increase in the deficit, but it also has the other effect on the payments under the 20 per cent provision. We figured on more traffic last year than we actually had, therefore there is a saving in that amount, but an increase in the deficit on Railway operations.

The CHAIRMAN: Now, gentlemen, there has been referred to this committee, under the Order of Reference the accounts and estimates of the Canadian National Railways and Canadian Government Merchant Marine for the present session.

Mr. MCGIBBON: Before we go into that, Mr. Boys is here, I suggest that he give us a report—

The CHAIRMAN: Yes, there is in addition to that matters arising out of the report of this Committee of last year to the House of Commons, and the report which has been made by the Directorate as a result of some recommendations made in that report of last year.

It will be recalled that in the report of this committee last year, which was a unanimous report on the part of the members of the committee, and also passed unanimously, as I recall, by the House of Commons, certain recommendations were made to the Canadian National Railways. It might be just as well if the memory of the Committee were refreshed by stating what those were. On page 303 of the report of the committee last year, there appears the following specific reference to the Executive Committee:

> In view of the decreased revenues of the Company, and the economics being made in other branches of the service, your Committee are of the opinion that the Executive Committee of the Board of Directors should immediately consider the whole question of salaries, allowances, disbursements, pensions, and retirement provisions for executive officers and officials of the Company receiving salaries of $5,000 and over, in order that every reasonable and proper economy should be effected.
>
> Your Committee recommend that immediate action be taken in these matters, and a report be made to the select standing committee on railways and shipping owned, operated and controlled by the Government at the next session of Parliament.
>
> Your Committee strongly condemn the practice which has grown up under which the National Railways are chargeable with large amounts for payment for the social entertainment and other activities of officials on other than official business. Your Committee recommend that this practice should be discontinued forthwith. Expenditures for such purposes are, in the opinion of your Committee, wrong in principle and practice, and should never have been permitted.
>
> When it is necessary in the interest of the business of the railway that monies should be expended chargeable to the Railway for entertainment, then it should be approved by the Executive Committee.

It was also stated:

> It has also come to the knowledge of your Committee that the late Board of Directors in the year 1929 passed a resolution recommending the payment of an annuity of $30,000 per annum for life to Sir Henry Thornton, if his services to the railway should at any time be terminated. Your Committee are of opinion that such resolution was unnecessary and should be rescinded forthwith. If later on the services of Sir Henry Thornton are discontinued and his contract terminated, the matter of a retiring allowance may then be discussed on its merits by the Directors and the Government.

Those I think are the specific recommendations of this committee to the House of Commons, which were passed along to the Executive Committee.

I hold in my hand a report dated 16th February, 1932, to the Minister of Railways, signed by a committee of the Directorate, Mr. Boys as Chairman, in which they make a Return, so to speak, to the recommendations of the Committee. This report has already been circulated among the members of the committee and is now open for discussion.

Mr. McGIBBON: I suggest that we ask Mr. Boys to come forward and we will take this up.

Mr. BOYS: You will observe that the report is signed by every member of that committee. Two members of the Executive, the President, and Vice-President Ruel, being personally concerned in some matters, asked to be relieved and did not act. Tom Moore, who is not ordinarily a member of the Executive, was added to the Committee for this purpose, and the report as presented bears the signature of every member acting on that Committee.

We have dealt with the matters submitted in the following order: (1) The resolution providing for a retiring allowance of $30,000; (2) Disbursements; (3) Salaries; (4) Allowances; (5) Pensions; (6) Economies.

As the report indicates, the resolution dealing with the retiring allowances has been rescinded.

With regard to disbursements, I do not suppose the Committee expect me in any way to review the payments of the past. All we were concerned with was to endeavour if possible to pass some regulations for future work which would prevent any expenditures, if there every were any, which would not be made. The report indicates what we have done in that connection.

Mr. McGIBBON: What were those expenditures in the past?

Mr. BOYS: I may say that I have not been provided, as one of the Directors, with any statement indicating with any certainty the items that were submitted to the committee of last year. One can only deal with them from what you hear.

Mr. McGIBBON: I might tell you that we got from the Committee last year for 1930, for meals, hotels, sleeping cars, etc., an expenditure of $1,952,189.

Mr. BOYS: I may say the first time I ever saw that was when you were kind enough to send it to me a couple of weeks ago. I had no definite knowledge of just what was before the committee. I did understand, however, that there was an item of that kind, also that there was some reference to club dues, etc.

As you will see from the report:—

> With regard to payments heretofore made for travelling, hotel, and other expenses, we are of opinion that there has been some misconception in this connection, but, without enlarging thereon, it is in order to mention that we have recently inaugurated a method of dealing with the same, whereby the officers of the Company are required to pay their expenses in the first instance, and render an account therefor, and reimbursement is not made until the vice-president in charge of finance examines and recommends payment of the same.

We went a step further in that connection. We were given to understand that the vice-president in charge of finance has no right to sit in judgment upon accounts which bear the signature of officers holding as high a position as himself. We therefore made a further provision:—

> A further provision has been made which requires the vice-president in charge of finance to report to the chairman of the finance committee, for its consideration, any item in any expense account to which he may take exception.

That is the method that has been adopted at the present time. It is our belief that the expenditure will be completely safeguarded by that method.

Mr. McGIBBON: Can you give us any idea of the saving on this account.

Mr. BOYS: That raises, I suppose, the question so often discussed in committees and in Parliament, as to the extent that information dealing with matters of that kind should be given to the public. I am in the hands of the committee. Personally I have nothing whatever to keep back, except what I might think should be kept back in the interest of the Canadian National Railways. I have been given to understand that the information which Dr. McGibbon has referred to was given in confidence last year.

Mr. McGIBBON: Was not. I dispute that. It was not given in confidence. It was ruled by the Chairman publicly that we should get this information, and we got it. The ruling was never over-ruled.

Mr. BOYS: I may say that, anticipating some such question, I took the precaution to find out what was being done during the last five months. If that information was given last year, and there is no confidence about it, and it is part of the Journals of the House, and it is the desire of the committee to go into the matter, I presume I have no course to take but to answer the questions put.

The CHAIRMAN: I may observe that there is no doubt about Dr. McGibbon's statement that the Chairman ruled that this information should go before the committee. But it is also true that it was not published.

Mr. McGIBBON: Quite true.

The CHAIRMAN: The matter is in the hands of the committee. As far as I am concerned I do not see why there should not be any publicity relating to any matter concerning the Canadian National Railways.

Mr. McGIBBON: I am going to move that Mr. Boys get us a photostat of that account for the twelve months. It is easily got, it is a loose-leaf ledger, I presume. I think the committee at least ought to know the details of that. Until we get that we cannot judge the account properly. It looks to me an enormous bill, almost two million dollars for meals, berths, etc., especially when you consider that the officials I presume all travel on passes and have a frank for telegrams, etc. It may be all right, I am not disputing it. If I can get a seconder?

Sir HENRY THORNTON: May I say a word in answer to Mr. McGibbon? No officers hold sleeping-car passes, they pay their fares on the pullmans and sleeping cars, and pay for their meals in the dining cars and at all hotels of the company.

The CHAIRMAN: Would you go a little further, Sir Henry? Would you tell the committee, with such detail as you can summon to your memory, what the practice was before the report of the committee, and what is now the practice with respect to this rather vexed question?

Sir HENRY THORNTON: Briefly, officers travelling on company business filed an expense account monthly; that was scrutinized by the supervising officials and certified to by the Department head, and was then passed for payment. In the event of there being any item which the auditing department thought improper, it was brought to my attention, and that resulted in subsequent conversations with the head of the Department involved. In some cases the item was accepted, in some cases eliminated. I think in almost every case it is fair to say that there was found to be good reason for the inclusion of the item.

That was the practice in the past.

My recollection is that the average expense account per person was somewhere between $35 and $40 per month.

As Mr. Boys has outlined, additional safeguards have been provided, in that the auditing department, under the direction of the financial vice-president,

scrutinizes these accounts, and if there is anything to which they object that goes to the finance committee for consideration and final approval.

That seems to provide every reasonable safeguard.

I might say in connection with the whole situation that a railway is different from a manufacturing plant, in that most of its officers are required to cover considerable distances, and if they are to exercise properly their responsibilities, they have got to be on the road a fair proportion of the time. In fact I know there are certain railroads which insist upon officers being on the road a certain proportion of the time, on the theory that it is on the road where things are happening, and that is the place where they should be if they are to administer properly the affairs of the company and scrutinize its activities.

In a manufacturing plant, which is of relatively small compass as compared with a railway, there is no such condition, and officers and others can go about the plant in a relatively short time. But the very nature of a railroad necessitates a considerable degree of travelling on the part of train masters, superintendents, and others engaged in administering the affairs of the company.

That I think is about all I can say on the general subject.

Hon. Mr. MANION: Might it not be well, in view of the figure Dr. McGibbon has given from memory, to give a few of the larger items, so that the committee would understand of what that amount is made up?

The CHAIRMAN: Or have you any one here familiar with it?

Mr. MCGIBBON: I can give them if you wish. For meals, $844,000 odd. Hotels and lodging $395,396. Sleeping cars $133,130. Railway fares $10,724. Telegrams $12,585. Other expenses, which are not detailed, $566,166. Total, $1,952,189. Almost two million dollars expense accounts from a railway that is in red ink from an operating standpoint. That is for the year 1930.

Mr. MACMILLAN: How many people were involved in that expenditure?

Sir HENRY THORNTON: May I hesitate before I answer that? Meanwhile, a large proportion of the amount mentioned by Dr. McGibbon was returned to the company. Sleeping car fares, telegraph bills and hotel bills where they use our own hotels, all come back to the company.

Now, as to Mr. MacMillan's question—

Mr. FAIRWEATHER: The average number is about 3,500 individuals.

Mr. MCGIBBON: We are not disputing the correctness of the account. What I want to know is if this should properly be charged to the Canadian National Railways, or if private individuals should have paid their own.

Sir HENRY THORNTON: As I said, the very nature of a railway's business requires its officers to be away from home travelling considerably. You cannot expect, nor is it the practice in the railway world anywhere to expect officers who are travelling on company business to pay their own expenses. Nor is that the practice in the field of industry generally. It is not the practice.

Mr. MCGIBBON: I have no doubt some of it is legitimate, but it does seem an ungodly lot of money for that sort of thing.

Sir HENRY THORNTON: When you take into consideration the fact that it averages something like $35 per person per month, or a little over a dollar a day, and compare that with the gross revenue of the company, or even the expense of the company, the percentage is small.

Mr. MCGIBBON: Do not these people travel on passes?

Sir HENRY THORNTON: The officers travel on passes, but they have no sleeping car passes.

Mr. MCGIBBON: And do they not have franks for telegrams?

Sir HENRY THORNTON: There are no express franks. There are some telegraph franks. I could not answer off-hand how many. Frequently officers in the traffic department who are off our lines are obliged to telegraph to their own offices and to headquarters, and in many cases are obliged to pay for those telegrams. As far as I am able to judge from what I have found out and from my general knowledge of the railway business, the practice followed by the Canadian National is precisely that followed by every railway on the North American continent.

Mr. MCGIBBON: It was the practice of charging $100,000 club dues, wasn't it?

Sir HENRY THORNTON: No, the amount was materially less than that.

Mr. MCGIBBON: $100,000 you gave us last year yourself.

Sir HENRY THORNTON: Perhaps Mr. Fairweather will answer the question.

Mr. FAIRWEATHER: I am afraid Dr. McGibbon has not treated the figures given to the committee last year in the light of recurring expense. It is true the statement was furnished to the committee last year.

Mr. MCGIBBON: And that was the amount.

Mr. FAIRWEATHER: The amount shown there was divisible between non-recurring items, which would be incurred only once, the purchase of stock or entrance fees, and the recurring items which would currently go on attached to the membership. The recurring items never amounted to anything like $100,000.

The CHAIRMAN: But the entrance fees and the annual fees did come to the figure you gave?

Mr. FAIRWEATHER: But to say it amounted to $100,000 a year is a total misstatement.

The CHAIRMAN: He did not say that, he said $100,000 for last year, as I understood.

An Hon. MEMBER: That has been discontinued, hasn't it?

The CHAIRMAN: What is the situation in regard to that?

Mr. BOYS: I may say I have no knowledge myself of what the club dues were in the past. We have dealt with that ourselves. There was presented to the committee for consideration club dues for this year amounting to $10,000. We dealt with that and decided that no club dues whatever were going to be paid in the future, except in special cases which were to be brought before the Executive Committee and passed on by them.

Mr. MCGIBBON: Was that $10,000 presented by one or two individuals, or is that the gross?

Mr. BOYS: That is the entire amount suggested for club dues for this year.

Mr. MCGIBBON: Would that include every official?

Mr. BOYS: As far as I know.

Sir HENRY THORNTON: I can answer that. It did.

Mr. MACMILLAN: What is the amount of these club dues for the year prior to the one we have in the return?

Mr. FAIRWEATHER: I have no information.

The CHAIRMAN: Is it fair to say that there was a progressive increase in this item up to 1930?

Mr. BOYS: Well it is cured for the future; I suppose that is the main thing.

Mr. MACMILLAN: You said $35 was the average expense of these different men on company business?

Sir HENRY THORNTON: That is a rough approximation.

Mr. MACMILLAN: You also said there were 3,500 people who spent that money. That comes to over $50 per month.

An Hon. MEMBER: No, it only figures $25 per month.

Sir HENRY THORNTON: I was speaking from memory, I said I thought the average was in the neighbourhood of $35 a month.

Mr. FAIRWEATHER: $36.30.

Sir HENRY THORNTON: In answer to another question I said that represented—

Mr. FAIRWEATHER: About 43,000 accounts. You divide that by 12 and you get the average per month.

Mr. MCGIBBON: If some one will second my motion?

The CHAIRMAN: I am informed by the clerk that we do not need a seconder.

The motion is: That the Canadian National Railways be asked to provide photostats of the account in question for the year 1930.

Hon. Mr. EULER: I do not desire to be placed in the position of one who wishes to hide anything that should come before this Committee. This item in question of $2,000,000 brought up by Mr. McGibbon sounds like a large item, perhaps it is in itself. But we are not discussing the merits of that particularly, except to say that in a business aggregating over two billion dollars capital investment, perhaps it is not so very large. But that is not the point particularly. The point is the extent to which this committee desires to give publicity to certain facts which after all are subject to the scrutiny of the Board of the railway company. I take it that the members of the committee, and the House, and the country, have some degree of confidence in the managing committee of which Mr. Boys is a member. I have, although they were perhaps appointed from those who are not in political sympathy with some of us. That does not affect me at all, I have a good deal of confidence in that Board.

The point I desire to make is, whether it is the duty of this committee to go into little details in connection with the management of the railways, or whether we could fairly leave that to the judgment and scrutiny of the Board that is appointed to conduct the operation of this railway. To my mind the latter is the proper course. This committee certainly has a duty to perform in making a general survey of the whole situation, perhaps dealing with matters of policy upon which they may make a recommendation to the Government. But I submit that we are going farther than we should when we inquire into small, intimate details of the conduct of this railway. I may be wrong, but I submit it can hardly be in the interests of the railway itself, and in that way the interests of the country as far as the National Railways are concerned, for this committee to delve into little items of expenditure, which may be published far and wide and tend to destroy confidence in the National Railway.

I take it that every one of us, whether we are opposed to or in favour of public ownership, certainly does not desire to do anything that would injure the railway, yet that result will assuredly follow if we destroy confidence in it.

The whole point that I desire to make is that the members of the committee should decide whether we are doing what is in the best interests of the road by inquiring into little details which come, I think, more properly under the purview of the Board of Directors appointed by the Government.

Mr. MCGIBBON: I do not consider two million dollars a little item. The people want to know whether these things are legitimate or not. I do not dispute that the two million was spent, but it is a large amount to be spent by officers of the company, and there is a lot of doubt in the country whether it was spent by the officers, and the only way we can clear it up is to get the details.

The CHAIRMAN: Gentlemen, there is a matter of principle involved. What is the wish of the committee? I am entirely in the hands of the committee. The motion I think is quite in order, under the order of reference. That is the only thing I have to rule on.

Mr. BEAUBIEN: If it is a matter of principle, should you not decide that yourself?

The CHAIRMAN: No, that is a matter of policy of this committee. All I am called upon to decide is whether the resolution is regularly before the committee. You have to shoulder your share of the responsibility.

Mr. BEAUBIEN: We have a board of directors of this railway. No doubt the Government before appointing them looked into their qualifications. I think it is a wrong policy to delve into these little details of expenditure, even if they aggregate two million dollars. About $30 a month per person is not a very large amount. If this committee is here to destroy the confidence the people have in the railway, it is adopting the best method I know of to do so if they are going to dig into all this expenditure, when we have a board of directors which can do that.

There is enough discontent in the country to-day created by propaganda against public ownership. I am not married to public ownership, but we have this railway on our hands, and surely we are not going to try to discredit the management of the board of directors by delving into these items which to my mind are quite legitimate. You cannot expect a railway official, when he goes out on the company's business, to travel in a box-car or to stay in a boarding house. Surely these expenses are legitimate, and surely railway officials are entitled to travel in the proper way.

Mr. MCGIBBON: Who is disputing that?

Mr. BEAUBIEN: You have had your say, let me have mine.

Mr. MCGIBBON: You are misrepresenting the thing.

Mr. BEAUBIEN: The point I want to make is, if we insinuate that these railway officials have been squandering this money, as the inference will be drawn, especially with the feeling that prevails to-day to a certain extent with regard to the load borne by the country in respect to Canadian National Railways, I think it is wrong, am strongly against it, and I hope this committee will not endorse that motion.

Hon. Mr. EULER: Might I ask of Sir Henry or Mr. Boys, what his own opinion is as to the advisability of giving publicly this detailed information? Is it in the interest of the Railway, or is it not?

Mr. BOYS: My own view is,—I am not speaking of this particular item, but various matters that might be before this committee—that it is not in the interest of the railway company that they should be broadcast throughout Canada. I may be wrong, but that is my view.

I would like to say that I never stop myself to consider the expenditures of the past, but since I have got some information for the last five months, I have tried in any way I could,—and it is a very difficult task to be sure of these things —to reach a conclusion myself as to this matter, having in view the magnitude of the work, and the number of officials, the expense account, which I may say is less now than it was, in keeping with the general economies, for which the management deserves credit. I am going to be personal, and say that in my own business, a country law office. my personal expenses in my office for myself and son run $200 to $300 a year. Suppose you take a thousand law offices, multiply that, and you have a quarter of a million dollars a year. I am speaking of actual personal expense.

Mr. McGIBBON: If I might get back to what I stated; I am not disputing this thing, but I say we do not know a thing about it until we get the detail. What is the use of sitting here, unless we know? Here is an item that appears enormous. It may be all right; if, when we get the return, it is all right there is no harm done. If it is not, our business is to correct it.

Mr. GRAY: There is something in what Mr. McGibbon says, and while last year all of us did not agree as to some of the things he brought before this committee, I think he is deserving of considerable credit for bringing up these questions. At that time it was stated by the Minister, and we all agreed that the directors had been but recently appointed by the Government, and had not had time to go into the matter as carefully as they would later, and we called the attention of the directors to various things.

The directors have followed that up by the report given by Mr. Boys to-day, and have largely acted upon the recommendations of the committee.

I think, rather than go into the details of these items as Dr. McGibbon suggests, it is the duty of the committee to point out generally to the directors matters of principle rather than deal with intimate small details. Then if the directors do not follow these principles that we suggest to them, it is up to us to review what the directors are doing and perhaps to recommend to the minister and to the Government that these directors be removed. But if we cannot have confidence in the management and directors of the company, then I cannot see how we can go on with the Canadian National Railway System.

I agree with what Mr. Euler and Mr. Beaubien said. I think in a matter of this kind we can safely leave it to the directors and the management, who apparently are doing their duty in trying to look after the matter.

Sir HENRY THORNTON: My view is precisely the same as that expressed by Mr. Boys.

A moment ago Dr. McGibbon made a statement which I think I am obliged, in the interest of the officers of the company, to comment upon. He made the statement that there was some doubt—so I understood his statement—as to whether the amounts disbursed by the company for expenses were actually so disbursed.

Mr. McGIBBON: Quite true, I have heard that disputed.

Sir HENRY THORNTON: The inference being that the officers were knocking down part of their expense accounts and putting them in their pockets?

Mr. McGIBBON: No, not necessarily. There might have been other accounts charged up. For instance their family accounts might have been charged up. I am not saying they were.

Sir HENRY THORNTON: That is the same thing. I simply want to make this statement, and I am now speaking on behalf of the officers of the company. I have had more than 30 years experience on various railroads in three different countries. I can say without hesitation that I know of no railway company in any country which is officered by men who are more honest, more capable, more loyal, more enthusiastic, and more moved by patriotic endeavour than the officers of the Canadian National. These officers cherish their honour as any one of you gentlemen would. And I can say without hesitation that there is not an officer of the company who is pursuing any other course with respect to his expenses than that which is entirely honourable. And on behalf of the officers of the company, I must challenge any statement which reflects upon their honour and loyalty.

Mr. McGIBBON: I object strongly to your putting words in my mouth. I did not say such a thing. I said I heard it, and I have heard it. I did not say it was true, I do not think it is. But if we get the details we will know. I do not see why you are trying to hide behind it.

Sir HENRY THORNTON: I am not trying to hide behind anything.

Mr. BOYS: I want to say that so far as I am concerned, I am in the hands of the committee. I do not think any figures that could be given by me regarding the last five months would be a reflection on anybody. As far as I am able to judge, they are justified, and if it is the wish of the committee to have them I have got them, for the last five months.

But I still adhere to what I said, that as for broadcasting it—if you are going to do it in this item you will do it with other items, I do not think that is desirable.

Mr. BEAUBIEN: May I ask Mr. Boys or Sir Henry this question: Is it not so that all the expense accounts of officials of the Canadian National Railway are audited by the auditing department of the railway and also by the auditors of the Government?

Mr. BOYS: Certainly, and under the system obtaining of late, as I explained, all these accounts have to be paid by the employees in the first instance, and details have to be rendered before reimbursement takes place. It is all scrutinized by the vice-president in charge of finance, and if he is not satisfied he has the right to appeal to the finance committee composed of the President, Mr. Ruel and the Deputy Minister.

Mr. MCGIBBON: When was that started?

Mr. BOYS: Since you requested us, within the year.

Mr. BEAUBIEN: In that case any expense account which was not justified, surely the auditors, or the auditing department of the railway know something about these accounts, having dealt with them for many years, surely there cannot be anything wrong in the expenses of the officials if they are checked to the extent you say.

Mr. BOYS: I say, as far as the directors are concerned, these do not come before us. As certain figures have been given, let me take one item: meals $70,000. You gentlemen all understand that we directors could not possibly go into that. And I do not see how this committee could. It involves hundreds of accounts; you would be sitting all year.

Mr. BEAUBIEN: And it is not exorbitant, when you pay 30 cents for a potato in a railway dining car, when you could not sell them for 50 cents a bushel.

Mr. MCGIBBON: What is the saving this year compared with last?

Sir HENRY THORNTON: First may I answer the question as to the practice prior to the policy of having the finance vice-president refer expense items to which he took exception to the finance committee? The practice prior to that was this; if the auditing department as represented by the vice-president in charge of finance found any item in any expense account which in their judgment seemed exorbitant or improper, it was brought to my personal attention, and I took the matter up immediately with the head of the department involved and asked for an explanation. In some cases items were excluded as being improper; in other cases the explanation was satisfactory and the item accepted.

The present practice is that any item which the vice-president in charge of finance questions goes to the finance committee, instead of to myself personally.

Mr. MCGIBBON: I would ask Mr. Boys for those figures. He has them.

The CHAIRMAN: I see no objection to Mr. Boys giving the gross figures for 1931.

Mr. BOYS: What I was asked for were the figures for the last five months, since the variation in method.

Mr. GRAY: Why not give the gross figures?

Mr. FAIRWEATHER: The gross expenses incurred in 1930 on travel on the company's business officially was after making deduction for items that recurred back to the railway company or refunds made by foreign railways. It shows a decrease in 1931 of $336,000.

Mr. BEAUBIEN: Do you attribute that to the changed methods as indicated, or is it because of decreased business of the railway?

Mr. FAIRWEATHER: Speaking in my capacity as director of the Bureau of Economics, if I had seen the figures as relating to another railway, in view of the decrease in traffic and the urgent need of reducing expenses, no matter where they might occur, to an absolute minimum, I should have said that reduction would represent what an intelligent administration might have been expected to effect.

I may say further that Sir Henry is a rather hard task master in this matter of general supervision. He has me continually making comparative studies between the supervisory expenses of the Canadian National and other systems, and of our relative standard of performance. As a matter of fact, we stand out very well as compared with the classic standard of comparison, the class 1 roads of the United States, on matters of this kind.

That is what I would say, that that reduction, if I were looking at the accounts of another railway company, would represent what an administration keenly desirous of economising, in view of the decrease in traffic, should accomplish. It is, I would say, a very good job.

The CHAIRMAN: In other words, you say it is due to the decrease in business?

Mr. FAIRWEATHER: Not entirely. And to the desire to effect economies wherever you can. I know in my own department that when the full effect of the depression became apparent I issued instructions to every one of my subordinates to curtail travelling expenses to the minimum. I personally saw to it that travelling was reduced to a minimum, that business which might ordinarily be more efficiently transacted by going perhaps to Toronto would be transacted by letter or by telephone. It took a little longer, and the information perhaps was not quite as completely understood, but it saved money.

Hon. Mr. EULER: Would you say the reductions you have made are pretty well proportionate to the reductions made in other branches of business?

Mr. FAIRWEATHER: Yes, sir.

Sir HENRY THORNTON: In that connection I might say that progressively since the depression appeared in the autumn of 1929 there has been increased pressure on all departments and all officers to economise as much as possible. And this committee will be aware of the system of budgetting which I attempted to explain to the committee in some detail. That system has been going on and has been progressively pursued, and the spirit of the whole organization to-day, and of every officer, is characterized by the desire to economize wherever possible.

Mr. MCGIBBON: You realize that the people of Canada have to put their hands in their pockets pretty heavily for this road?

Sir HENRY THORNTON: Well that involves a great many questions. There is no doubt that if, within the last twenty-five years, we had contemplated such a condition as exists to-day, a great deal less mileage would have been built; a good many things that have been done would not have been done; and a good many other things would have been done differently. That is true not only of our railroad, it is true of the Canadian Pacific and of almost every business enterprise.

Mr. McGIBBON: But there is no comparison between the Canadian Pacific and this railway. The Canadian Pacific is paying its way, and this railway is in the red in operating.

Sir HENRY THORNTON: You have to remember that a large percentage of the mileage of the Canadian National was authorized and built partly by private ownership, partly by government support, for the purpose of developing the country. A large percentage of our mileage is still development mileage, has been built for the purpose of opening up parts of the country in anticipation of settlement. The settlement and the traffic ensuing therefrom have not yet grown up to the railway mileage.

That is a burden which every country has upon it. The United States had precisely that same problem in the railways constructed after the Civil War for the purpose of developing the country west of the Mississippi.

Mr. McGIBBON: But that is counterbalanced as far as the Canadian National is concerned by the fact that they never paid anything on the money furnished by the government.

The CHAIRMAN: Well, the discussion has got far afield. We have had a very general discussion on the principle involved, that the committee might come to some decision on this specific point.

Mr. BEAUBIEN: Your opinion is that it would not be in the interest of the railway company to give out the information for which Dr. McGibbon has asked:

Mr. BOYS: Generally speaking, I think that is right.

Mr. BEAUBIEN: Are you expressing the opinion of the directorate?

Mr. BOYS: No, I have not discussed this with the directorate. That is my personal view.

Mr. BEAUBIEN: Suppose this question of giving this information to the public went before the Board of Directors, do you not feel fairly certain yourself that they would advise against it?

Mr. BOYS: I would not want to venture that opinion, for I have not asked the Board of Directors their view regarding this.

Mr. BEAUBIEN: But in all business administrations, whether railway or not, I think the Board of Directors would come to that conclusion, wouldn't they?

Mr. BOYS: I am inclined to think so, yes.

Mr. BEAUBIEN: Then if we have this Board of Directors, and one of the leading men in that Board here to-day expresses that opinion, that in a business or a railway or a publicly owned business it is detrimental to give out such information, should we not accept his view? Surely they were appointed by a good government, surely the Minister of Railways is business man enough to appoint the best men he could find. I think we can very well leave the matter in their hands.

The CHAIRMAN: Dr. McGibbon, is it your desire to have a photostat copy of every account making up this huge total, or a photostat copy of just the general statement which you have?

Mr. McGIBBON: A general statement is no good.

The CHAIRMAN: I am informed it would make about a freight car load of material.

Mr. McGIBBON: Well I will compromise, if you give me two months. Give me August and December.

Mr. GRAY: Let us decide the principle.

Mr. STEWART: I want to draw attention to one word in the report of the committee last year, which was sent to the officials. On page 1 of that report you find this:

Your Committee strongly condemn the practise which has grown up under which the National Railways are chargeable with large amounts for payment for the social entertainment and other activities of officials on other than official business.

It is the words "other than" that bother me. I think this House and the country should know what is being charged by officials of the railway when they are on some other business than railway business.

Sir HENRY THORNTON: There is no such item.

Mr. STEWART: Well it is here.

The CHAIRMAN: If my memory serves me right, I think that refers to this question of club dues and social entertainment. I understand that has been cut out. Mr. Boys has made a very specific statement on that. What has been done is done; it is the future we are more particularly concerned about. However I do not wish to be taken as trying to direct the vote of the Committee in any degree on this matter of principle.

The CHAIRMAN: Inasmuch as the vote is even, I think it is my duty to vote against the motion, and I do so.

The next item is that of salaries.

Mr. BOYS: As you see, gentlemen, there has been a 10 per cent cut, effective last July. It affected 828 officers, to the extent of $545,652.

Mr. MCGIBBON: Is that a cut, or a temporary reduction?

Mr. BOYS: It is a cut that is in effect now, it will have to be renewed when the time is up.

Mr. MCGIBBON: Has there been any revision of salaries?

Mr. BOYS: It is just effective for the time being.

Mr. MCGIBBON: I am not talking about that, I am talking about the list of salaries, starting at $35,000 down. Bigger than the Prime Minister of Canada.

Mr. BOYS: I will come to that in a minute. The next item is the half-day lay off affecting 11,668 officers and clerks, making a total of $1,676,902.

There have been retirements and dismissals totalling 4,574 officers and clerks.

In addition to that a special committee has been appointed to deal with the question of salaries. When we first gave the matter consideration the question was how it should be done. Rightly or wrongly we came to the conclusion that it would be undesirable to make a horizontal cut affecting everyone, beyond the 10 per cent cut referred to; and that these officers would have to be dealt with individually. The need for them and the remuneration they were getting would have to be considered. The magnitude of that task becomes apparent to anyone who stops to consider, and I think you will agree that as directors, meeting once a month, and as an executive committee meeting on perhaps two other occasions in the month, it would be out of the question for the directors to go into all those salary accounts.

We had every vice-president before us. We impressed upon them the necessity of doing everything possible, and I believe a great deal has been done. But the last word has not been said yet, and that committee is at work now.

There in one other feature that enters into the consideration, that is the Royal Commission. I felt that it is possible that when that report is presented some recommendation might be made which would require more of this work, and as far as I was personally concerned I felt that it might be well to wait until that report was presented to the House before the matter was dealt with in a final and comprehensive manner.

But this committee is at work, and the question of individual salaries will be dealt with from time to time.

Mr. McGIBBON: You are not following the recommendation of the committee, then?

Mr. BOYS: I think to some extent we have. Perhaps not fully. The 10 per cent cut is something, surely.

Mr. McGIBBON: The committee recommended that there be a revision of salaries.

Mr. BOYS: Speaking for myself I say it would be absolutely impossible for the directors to do that work.

The CHAIRMAN: I might call the attention of the committee to the exact wording of the recommendation. It is:

> that the Executive Committee of the Board of Directors should immediately consider the whole question of salaries, allowances, disbursements, pensions, and retirement provisions for executive officers and officials of the company receiving salaries of $5,000 and over, in order that every reasonable and proper economy should be effected.

The word used is "consider".

Mr. BOYS: We certainly did consider it, we had every vice-president before us and spent considerable time with each of them discussing their department and what could be done. But the work is not finished.

Mr. DUFF: Did they also deal with the expenses and salaries of the Canadian National Steamships, Government Merchant Marine? I notice on page 6, Government Merchant Marine $153,180, then on page 16 in connection with Canadian National Steamships there is Management and Office Salaries $175,000. They may be all right, but it seems to me that those two amounts together, making $330,000 is a pretty large item for salaries and management in connection with those two steamship lines. Did you go into it?

Mr. BOYS: The individual salary list has not been considered. We have considered it up to date only in the way I have indicated.

The CHAIRMAN: In the Canadian Government Merchant Marine there is a substantial reduction in the item, some $35,000. But the other, the West Indies line, the thing is practically stationary, a reduction of about $3,000.

Mr. McGIBBON: To supplement your quotation, it also said that the Committee was of the opinion that many of the salaries are much too generous, and in some instances excessive. That is what I had reference to. In my opinion they are excessive in view of the condition of the road.

Mr. BOYS: There are only two ways I can think of to deal with it; one a horizontal cut, the other by taking each individual case and analyzing it. That will take quite a long time.

Mr. McGIBBON: What is the objection to a horizontal cut? Everyone is taking it.

Mr. BOYS: Well it has been taken here to the extent of 10 per cent. That may not be considered enough. There are also 4,574 officers and clerks who have been retired or dismissed.

The CHAIRMAN: This report states that there has been an annual saving on salaries of $4,000 and over, by reason I take it of the horizontal cut, of $454,652. Does that saving include the saving effected by reason of men being retired, or is that a straight 10 per cent cut?

Mr. BOYS: That is a straight cut affecting the officers and clerks.

The CHAIRMAN: That means that before that cut was made, the cost of salaries of officials of Canadian National Railways was nearly five and one-half million dollars, on a gross operating revenue of 150 million. You can see for

yourself it is a very large ratio. On 300 million of course, it is just half, as they had it in 1928. But it occurs to me that there is a great deal of food for thought for this committee in those figures, if I am anywhere near right. I throw out that suggestion.

Mr. Boys: You will note the last paragraph dealing with this feature:

> It may be added that the average salary paid to officers and officials of our chief competitor is now almost identical with our own.

I must ask you to take the word of the members of the committee for that. We are not in position to make public all the information we have received in that connection, but that statement is made carefully.

The Chairman: I understand you now to say that the average salary is about the same as that of your chief competitor?

Mr. Boys: Yes.

The Chairman: May I ask if the number of officers receiving $10,000 and over on the National is not considerably larger than the number employed with your chief competitor?

Mr. Boys: It is, and that opens up another question, and I am afraid I cannot supply the committee with all the information necessary to determine that. The mileage that the Canadian Pacific have in Canada is 15,510. The mileage of the Canadian National is 23,767, I understand, I cannot be positive, but I believe it myself, that in any figures you can get in relation to the Canadian Pacific they do not embrace the lines over which the Canadian Pacific have running rights under lease, or by control of the stock. They are separate companies and are not included, and the list of officials would not include officials of those lines, whereas ours does for every single branch system, Central Vermont and Grand Trunk Western.

The Chairman: How much difference would that make?

Mr. Boys: You can only estimate by taking the mileage. The mileage in Canada of branches of the Canadian Pacific covered by what I have said is 1,282, in the United States 5,192. Add those to the other total, it makes 21,984. If one could with any degree of accuracy take those figures and work out the result proportionately, you would have a very considerable increase in the number of C.P.R. officials.

Mr. McGibbon: But the officials have no direct relationship to the mileage. Officials are chiefly in the large cities; there are no officials up on the back lines.

Mr. Boys: It is perhaps not an absolutely controlling feature, but it is an important feature. But what I am saying is, they are an absolutely separate organization in the United States, connected with the C.P.R., not included in any figures you can get. If you want to have a comparative statement you have to exclude officials on the Canadian National having to do with the Grand Trunk Western and the Central Vermont, and then make further allowance for the difference in mileage.

Hon. Mr. Euler: There are only two divisions in Canada on the C.P.R., while the National have three.

Mr. Boys: Yes. I intended, if the committee is not too tired, to make reference to some of those features. These are matters I have worked out myself from a layman's angle. Remember we have been in office a little over a year. None of us is a railway man; it takes time to acquire knowledge of these matters. We have been doing our best. I would like to say a word or two along the line that has been mentioned before I finish.

Mr. McGibbon: We are not making any objection or complaint about you. But to my mind the outstanding thing is that this National Railway is likely to bankrupt the country. It is our duty to make economies wherever we can

make them. I drew Sir Henry's attention last year to the fact that this country was putting 100 million dollars into these railways every year, I asked him how long we could do this. His reply was: Five years and we are bust!

Mr. Boys: There is not a member of the Directorate as far as I know who is not doing everything in his power to practise economy, and I think a great deal has been accomplished.

Mr. McGibbon: I do not doubt you. I am giving the reason for our interest in this problem.

The Chairman: I have taken some trouble to get information on this point. I am informed that the National, at the time the statement was made, had 96 officers receiving $10,000 and over, whereas the Canadian Pacific had only 53.

I am further informed on very good authority, which I will not name, that the Canadian Pacific deny absolutely the statement that Mr. Boys has now made to the committee that their costs on this account are comparable with the Canadian National. They claim that they are away under.

Mr. McGibbon: That is what I have heard too.

Mr. Stewart: Could not we have a meeting of this committee more or less secret, and have an official of the Canadian Pacific Railway come here and give that information?

The Chairman: That is up to the committee.

Mr. Stewart: I suggest that a communication be sent to the Canadian Pacific asking if they are willing.

An hon. Member: Have we authority?

Mr. Stewart: I say invite them, that is all. There is a statement made regarding the Canadian Pacific Railway, they should have opportunity either to confirm or refuse it.

Mr. Hackett: I am not a member of the Committee, but if I may make a suggestion, why take the Canadian Pacific Railway as a standard? The Canadian Pacific Railway has not experienced the financial difficulties that the Canadian National has. Should we take a road which is apparently paying its way as a standard for salary disbursements? I submit that the test is entirely improper.

The Chairman: That may be debatable, but the point at issue is the overhead of the Canadian National Railways. I suppose comparisons are inevitable.

Mr. McGibbon: There is only one other road in Canada.

The Chairman: Mr. Boys, have you anything further to add?

Mr. Cantley: Can Mr. Boys give us a memorandum showing the number of officials receiving over $5,000 a year who have been let out? Or rather the difference between that list in 1930 and 1931, and what the saving is.

Mr. Boys: I cannot offhand. I have given the total number who have been retired, but I have not separated in the way you have indicated. The total number dismissed or retired is 4,575, that is clerks and—

The Chairman: All outside of the running trades?

Mr. Boys: Yes. I do not think it included train men.

The Chairman: Does it include the running trades or members of trade unions, such as shop men?

Mr. Fairweather: No. Permanent positions.

Mr. Boys: Clerks and all receiving definite salaries.

Mr. McGibbon: They must have been grossly overstaffed before.

An hon. Member: Could the officials of the road give the number of officials receiving over $5,000 who have been let out?

The CHAIRMAN: Perhaps not to-day, but probably at a later session.

Sir HENRY THORNTON: We can give it exactly later on.

The CHAIRMAN: Let us have it later. It is no use guessing.

Now, shall we pursue this matter any further, or go to something else?

Mr. BOYS: One other feature I think should receive some attention, that is under the head of "economies":

> The work of the management, in which the directors have certainly supported them, indicates that economies that have been made effective for the year 1931 effected a saving of $13,064,300, and in the year 1932, even if there are no further increases in economy, will reflect $15,042,281. That is the balance as it were, because only part is relative to 1931, but take the full year, by taking part of 1931 and part of 1932, and the total is $28,106,681.

Mr. MCGIBBON: Is not that largely wages and coal?

Mr. BOYS: The items can all be given. No doubt the wage list makes a very considerable amount.

Mr. MCGIBBON: And you must remember that people are getting very poor service from the National Railway.

Mr. BOYS: I will not say that. I am holding no brief for the Canadian National, I am merely giving facts and figures—

The CHAIRMAN: I would like to express my opinion. I think the people of Canada are getting service from the National railway in proportion to the support they are giving it.

Mr. MACMILLAN: I think they are getting very good service on the National.

The CHAIRMAN: I think they are, having regard to the times. There is no doubt that service has been cut, of necessity.

Mr. MCGIBBON: I am not disputing that, but a man told me the other day that a year ago they had four trains a day at his place, now they get four a week.

The CHAIRMAN: That may be true. But I venture to say this, that you will find that the complaints against the cutting down of service come from men who themselves do not use the service; they will travel to your office to make these complaints by automobile. I have had that happen.

Mr. MACMILLAN: There was a deputation came to Ottawa to complain to the Minister, and they all drove here in motor cars.

The CHAIRMAN: I would like it understood definitely throughout the country that I am not complaining of the cutting of service on any of the railways. In these times we cannot afford to keep up the passenger service we have had, because the people are not supporting it, especially in the summer.

Hon. Mr. MANION: May I say a word in that regard? One of the great troubles with the whole railway question throughout the country, on all railways, is that we have been giving too luxurious and too great service, and that that luxurious and extra service has got to be cut out, to get the roads back to earth. In other words we have been, with the railways, as with a great many other branches of our life, living beyond our means. I think it is important that the people generally should know that.

Mr. MCGIBBON: They have let a lot of the business get away. I was in a town east of Toronto a few weeks ago and five buses went to the city, all loaded, and only one National train and only one C.P.R. in the day time.

Sir HENRY THORNTON: I would like you to hear a statement Mr. Fairweather will give in regard to the money being spent on highways and automobiles.

The CHAIRMAN: It is enormous no doubt, but we do not want to bring Mr. Boys and the other Directors back here another day, so I think we had better try and finish up with Mr. Boys. The question of motor traffic and unfair competition will undoubtedly come up in the course of the Committee's investigation.

Mr. MCGIBBON: Another thing we ought to discuss is the President's remuneration. Probably he would like to be excused.

The CHAIRMAN: I do not think there is any secret about it. The question has been dealt with by the Board of Directors, we ought to have their report. It is understood by everyone that Sir Henry Thornton has a contract with the Government of Canada, and as far as I am concerned, we respect that contract. I think that is the view of every member of the Committee.

Mr. BOYS: When we came to review that I read the contract carefully. My opinion was that the contract covered full-time service for the Canadian National and its various subsidiaries. I found that there were two items of $5,000 each which had been paid to the President which, as far as my judgment went, were covered by the contract. I did not think that as long as the contract stood they should be paid. That view was supported, and those two payments, Grand Trunk Western $5,000, and Central Vermont $5,000 are not being paid.

There is one other item that we dealt with, known as the Ontario Car Ferry, $5,000. It was pointed out to the Committee by the President's solicitor that that was not within his contract, because the Ontario Car Ferry was not owned or controlled by the Canadian National; that phraseology being included in his contract. Having given that consideration, we came to the conclusion that that contention might be supported. And for that reason that $5,000 in connection with the Ontario Car Ferry was not dealt with by the Committee.

In other respects we did nothing. We were only a sub-committee of the Executive, we had ourselves no power to deal with what the previous full Board had done. I feel that we had in those two items, because the contract was there. Owing to that fact the stand was taken.

These other features I see from the record were all before the Parliamentary Committee last year, and they went into the whole matter and it rested there and we did not interfere.

Mr. MCGIBBON: As far as I am concerned, as I said last year, I neither know nor want to know what the President is worth, he may be worth half a million a year. My point is that a contract should be a contract. I have a copy of the contract here, which states that he is to give his full time for $75,000 a year and reasonable out-of-pocket expenses. That may be too little, I am not passing an opinion on that. But the returns we got last year, putting a fair valuation on the rent on the house in Montreal, which the National Railway own, totalled about $148,000 including his expenses.

Mr. MACMILLAN: Does the Canadian National Railway own the house?

The CHAIRMAN: They rent the house.

Mr. MCGIBBON: At any rate, the National Railway is paying the interest on the money. And incidentally, if my figures are correct, there was a graft—or commission or something of about $37,000 in the deal, spread over 10 years.

The CHAIRMAN: Well let us have the legal position straight. I have investigated this matter somewhat. I understand that a previous Board of Directors conceived the idea of buying this house as a residence for Sir Henry Thornton, and leasing it to the National Railway for that purpose. A house was purchased—

Hon. Mr. MANION: Not by the Directors.

The CHAIRMAN: The house was purchased by a company formed by that directorate.

Mr. McGIBBON: The deal was put through by one man, a clerk in the office.

The CHAIRMAN: I do not know about that, but the house was purchased and the title is held by a company. It was leased to the Canadian National Railways under a resolution of the Board of Directors for an amount which, in a period of years, will cover the entire cost of the house, and at the end of the period the holding company will still own the house. That is the outside of the transaction.

Mr. McGIBBON: I do not think your figures are accurate.

The CHAIRMAN: I have not given any figures.

Mr. McGIBBON: They paid $185,000; $175,000 for the house and $10,000 for the furniture, and the rent is $15,725 a year for 10 years. It would not cover the principal in 10 years.

The CHAIRMAN: I am not sure you are right. The only thing we can do is look at the lease.

Mr. BOYS: I can give that information if you want it.

Hon. Mr. EULER: Was not this matter referred to a special sub-committee last year?

The CHAIRMAN: I do not think it was dealt with in any way. The fact remains that there is a lease binding on the Canadian National, what are you going to do about it?

Hon. Mr. EULER: That is practically what I wanted to say. I do not see the value of spreading this all on the record and all the publicity in connection with it. We had it before the sub-committee last year, and I think it was decided that it was not to be published in the general committee for general broadcasting. I do not see the advisability of bringing it up here.

Mr. McGIBBON: The purpose is to get it rectified. My point is they should have a new contract if they are going to give him that.

The CHAIRMAN: Is not that a matter that the Government will have to deal with? This contract is with the Government.

Mr. BOYS: I may say everything that has been referred to is covered by either contract or lease, or by resolution of the Directors. I should have mentioned that when I brought to Sir Henry Thornton's attention the two five thousand dollar items I have mentioned, he himself agreed that they should be discontinued.

Mr. McGIBBON: Surely the intention of Parliament and the Government was expressed in the agreement. No Board of Directors had any right to override the Government's decision. They may have power to, but they should not.

The CHAIRMAN: That is a matter of policy. I think they have the power.

Mr. BOYS: As far as I was able to see they did not override anything, the contract stands. What they did was to give something in addition to the contract, which they had a right to do if they wanted to. We as a sub-committee could not interfere with that if we wanted.

Mr. McGIBBON: I think it is pretty well expressed in it that $75,000 was the limit.

The CHAIRMAN: That is true in a sense, but Mr. Boys I think is simply pointing out that over and above the contract the old Board of Directors gave Sir Henry a house. That is an accomplished fact, all the discussion in the world will not alter that. I understand it is legally binding on the Company and we have to accept it whether we like it or not. As to that I am expressing no opinion at the moment. But I do not think we can accomplish much by going

further into the matter. Is there any other matter arising out of last year's report that the Committee would like to discuss?

Mr. McGIBBON: What about the Merchant Marine, is that discontinued? We recommended that.

The CHAIRMAN: That was a recommendation not to the Canadian National, but to the Government.

Mr. McGIBBON: But the Government passed it on.

Hon. Mr. MANION: I suppose the technical phrase is "it is still under consideration." There is no doubt that the Canadian Government Merchant Marine and the Canadian National West Indies Steamship service have been losing quite a great deal of money. The committee last year, having heard Sir Henry Thornton and made a recommendation along the lines practically as suggested by Sir Henry himself, who said that either the steamships should be brought up to date or the Canadian National Company should go out of the steamship business. That, in brief, is what he said, according to my recollection.

Sir HENRY THORNTON: Quite so.

Hon. Mr. MANION: Neither has been done. I may point out that there is this aspect to remember, that the steamships give a certain number of trade routes, and there is some contention as to what the value of those trade routes is to the people of Canada. And because of the difficulty of absolutely replacing those routes by private companies,—personally I think it could be done without very much difficulty, but at any rate there is some difficulty—and because of the complications involved, the Government simply has not come to an absolute decision yet as to getting out of the steamship service. I may say frankly that I think it would be an advantage for us as far as possible to get out of most of these steamship services, just as I feel that it would be advantageous, if it could be done, to get out of other non-paying subsidiaries of the Canadian National Railways. I have discussed this with Sir Henry on different occasions, but at the moment a decision has not been come to. It is a matter of Government policy when it will be come to, whether we get out of steamship services altogether, or partially, or stay in them.

Mr. CANTLEY: I think I gave expression in the past to my views in regard to this problem. As far as the so-called "Lady Boats" to the West Indies are concerned I think it is desirable that the service be continued and maintained—

The CHAIRMAN: We are bound to by treaty obligation.

Mr. CANTLEY: Whether we are bound to or not, by view is that should be continued. I will not go into the reasons why I think so.

But as far as the other boats are concerned, I think the sooner we get clear of the whole fleet the better. I have no doubt whatever on that point. I notice we sold only one boat last year, and have several laid up. Every boat that is laid up is a bill of expense. Every boat that is running is a much larger bill of expense. These boats are out of date. They have gone past the No. 3 survey. I have no doubt that we can obtain all the services the Minister refers to by subsidies very much less than the losses we are sustaining in the operation of these boats.

Many of them could only be sold for a trifle. The one sold last year brought a larger amount than I thought could have been got. Personally I would sell every one of those boats, even if I sold them by auction, I would get clear of them within the next twelve months. The sooner we do it, the less money we lose. And we will get an equally good service to all the points covered by those boats for subsidies very much less than the cost of operating the fleet.

Hon. Mr. MANION: There are a number of services besides the Lady Boats. There are freight services to various portions of the West Indies, there was a

service to South America, which was discontinued because it was losing. There are services to New Zealand and Australia, and there is the inter-coastal service between Vancouver and Halifax. May I add that that service has been a paying service. But as far as any of the others go I think they have all been losing.

Mr. MUNN: Vancouver and Prince Rupert is all right.

Hon. Mr. MANION: That is part of the Canadian National, not of the steamship services. The only one I believe that was a paying service was the inter-coastal. It is easy to get rid of that, a private company will gladly take over something that is operating profitably, but it is not easy to get rid of the others. I have had proposals made to me by private companies to take over the New Zealand-Australia service. I have also had a proposal, I think bona fide, to take over one of the services to some of the West Indies. But the difficulty is, sometimes you will get a proposal, made as one of these was, by a steamship company which is largely American, and it is a difficult question to decide whether it is wise to hand over a service.

Mr. CANTLEY: That is easily settled, I would not do it. Let the British companies have it.

Hon. Mr. MANION: In regard to some of the other services, it is debatable whether it is advisable to let them be taken over. I repeat that for these various causes and reasons the whole question is sub judice, and will have to be decided this year.

The CHAIRMAN: I would like to point out, in corroboration of Dr. Manion's position, that Sir Henry Thornton has always taken the position, which I believe to be a fact, that his organization is merely the agent of the Canadian Government in the management of these ships.

Hon. Mr. MANION: That is right.

The CHAIRMAN: And the operation of these ships is a matter of Government policy for the government of the day. That, however, does not bar us from looking into the operation of our agents. However, I suggest that we will be taking up these accounts at a later stage, so we might defer consideration of them now.

Mr. CANTLEY: I am thoroughly aware that the operation of the services was "wished" on the Canadian National Railway management. The Government found the boats on their hands and did not know what to do, and turned them over to the directors of the Canadian National, and they have had to struggle with the matter ever since. The sooner we relieve the Canadian National of that, the better for the country and for the railway management.

The CHAIRMAN: Are there any other questions to ask Mr. Boys?

If there are not, I would point out that Mr. Lucien Moraud, a member of the Board of Directors from Quebec, is here at my invitation and at the suggestion of Mr. Boys himself, and the Committee would be glad to hear from Mr. Moraud.

Mr. MORAUD: I have nothing to add to what Mr. Boys has said except to say that the whole Executive Committee concur in everything he has said. We have discussed all these matters frequently, about every week, and we all concur in the written report made by Mr. Boys and in the remarks he made to the Committee.

The CHAIRMAN: It is the understanding then that the Committee which was set up within the directorate, dealing with the various matters of economies, is being continued?

Mr. SMART: There is a special committee of the Board of Directors.

Mr. MORAUD: Four men, who can give more time than we to this matter.

The CHAIRMAN: I thought that information should be available to this Committee, so that you would know the matter is not being allowed to slip.

Now gentlemen, is there anything further to ask Mr. Boys this morning, or shall we require his attendance again?

Mr. MUNN: In regard to the Pacific terminals, if you look over the situation I think you will find you have got more officials than you need. I can speak of one in particular, I do not want to be personal, but it seems to me there is room there to lop off a few thousand dollars in officials at your Pacific terminals.

Mr. BOYS: We perhaps agree to an extent with that suggestion. I asked the Committee to bear in mind that in the inception what is now the Canadian National was constituted from four distinct systems. Four sets of officers, and it was not an easy matter to absorb them all, there was a certain amount of overlapping; it takes time to work that out, it has not been done completely yet. We are inclined to think that in the course of another year, with the Committee at work, it will be O.K.

The CHAIRMAN: Another matter that might be brought up under this order is the matter of pensions. You will recall that that was referred to the Directors, and they have dealt with that. In the report which Mr. Boys has submitted you will find the text of a resolution passed October 21, 1929, in the following words:—

> Mr. Ruel made an explanation to the meeting in regard to the pensions received under the Superannuation and Provident Fund Association, and there was read to the meeting a resolution prepared for passage by the committee of management of the said Association requesting the Canadian National Railway Company to supplement, as referred to therein, the pension received by any such member under the superannuation fund so that such member would receive in all the same amount as he would receive if eligible for pension under the Canadian National General pensions scheme.
>
> It was unanimously resolved that upon there being made to this Company by the said Association a request on the lines above referred to, such request may be complied with upon the understanding that any monies so paid by the Canadian National Railways will be considered a charge against the superannuation fund and will be repayable as set out in said proposed resolution.

That resolution, I understand, has been rescinded. And the other pension allowances are now governed by Act of Parliament and rules and regulations passed pursuant thereto.

But I doubt if any member of this Committee knows just what the underlying principle is under the Act of Parliament or under the rules and regulations with regard to pensions. It might be well if the Committee were given some information on that point, because I understand that some pensions have been paid that could not be defended in the industrial life of this country. I know particularly one officer of the National, let out I understand by Sir Henry himself for incompetency and inefficiency, who is now drawing down $10,000 of the people's money, because that is what it comes to. To me that sort of thing seems almost impossible, that that man should be drawing a salary equal to that of a supreme court Judge, although let out because of inefficiency and incompetency. I am putting it right up to Sir Henry if he can justify that sort of thing. I feel pretty strongly about this ever since I knew about it, and the people of Canada, if they knew, would feel strongly too.

Mr. MCGIBBON: Of course it is only fair that he should be allowed to make his defence. You have made it pretty strong, you said incompetence.

The CHAIRMAN: I said I understood incompetence. Of course if he was retired on any other ground that is an answer.

Mr. MCGIBBON: I know the man you mean, I know the pension he is getting.

Mr. GOBEIL: Are not these pensions regulated by rules.

The CHAIRMAN: What is the basis of pensions under the National railway system?

Hon. Mr. MANION: There is no more complicated question than this pension question. I entirely agree with the suggestion of the chairman that we should have a statement, instead of just getting a few items. I would like to suggest that some of the officers of the National road explain the pension system, not only for the officers but for the men, whether it is non-contributory or contributory, how it is done, in brief. I think at the next meeting, or at some other meeting, a complete statement might be prepared of the whole pension system.

Sir HENRY THORNTON: May I make this suggestion? As you say, it is a very complicated question, because in the consolidation of the various properties there was an inheritance of a number of different pension systems. It was by no means an easy task to co-ordinate those systems, in fact it has not been done yet. I would suggest that the Committee allow me to have prepared a brief which can be distributed to the Committee which will put the thing in concise form.

The CHAIRMAN: That is an excellent suggestion. I want it understood that I am not particular about any individual case, but we ought to understand what the system is. I think Sir Henry's suggestion will receive the full approval of the Committee.

Mr. BOYS: As this was referred to my committee I thought it was my duty to find out something about it. I asked for a complete but concise statement; I have it here, I will hand it out.

The CHAIRMAN: Would you read it?

Mr. BOYS: It is rather long.

Sir HENRY THORNTON: I suggest you have it duplicated for distribution. I had forgotten you had that.

Mr. BOYS: I may mention that the pension system under the act of 1929 is a non-contributory system. But there is contribution under some of the others. There were four altogether.

The CHAIRMAN: Are there any other questions to ask Mr. Boys before he leaves? Because he is a busy man, we do not want to bring him back unless we have to.

I am sorry to say we have not yet had authority to meet in the afternoon, and Sir Henry Thornton has told me that he has a very important engagement which he must keep to-morrow, and it will not be possible to meet again until Tuesday morning. So if anyone wants to ask Mr. Boys anything more, now is the opportune time.

My attention is called to the fact that we are clashing this morning with the committee on Railways and Canals.

If it is the wish of the committee, we might be allowed to meet at the call of the chair. I will ascertain that there will be no conflict with the other committee, and ample notice will be given. In any event we ought to be prepared to go on next week and finish up as promptly as possible.

I understand now that it has been ascertained that the other Committee is to meet on Thursday; then we will meet Tuesday morning at 11 o'clock.

The committee adjourned, to meet again on Tuesday, April 12, 1932, at 11 a.m.

HOUSE OF COMMONS, Room 231,

April 12th, 1932.

The Select Standing Committee on Railways and Shipping met at 11 o'clock a.m., Mr. Hanson, the Chairman, presided.

The CHAIRMAN: Gentlemen, I am sorry to have to tell you that Sir Henry Thornton, who was to be here to-day, is ill with influenza. That need not deter the committee from going on with its duties this morning, except that possibly anything of a controversial nature, or anything that might require the personal consideration of Sir Henry Thornton, I think in deference to him, ought not to be gone into to-day, in view of the fact that his illness is merely of a temporary nature; and if there is anything that anybody wants to bring up this morning with reference to the business allocated to this committee, then I think we could very well go on.

I must confess that there has been great difficulty in getting this committee to function this session. It has not been the blame of any person or persons particularly, but by combination of circumstances over which I, at least, have had no control. I am anxious to see the committee function; I am anxious to see it complete its duties in the time allotted to us, but we have not made very much progress. Last week we met, and we covered a substantial amount of ground. I think we might proceed, if we can, with anything that any member of the committee might desire to bring up. We can, also, if it is necessary, start in on the estimates. I merely throw this out as a suggestion, as to what we might do, having regard to the fact that the president is not here, being unavoidably absent through illness.

Mr. HEAPS: Perhaps I might be allowed to put a question, which is not exactly within the purview of the question before us this morning. There have been a great many questions asked in the House, and a lot of discussion in the country in regard to the layoff by the Canadian National Railway. I do not know whether Mr. Hungerford would be in a position to give us this information, or any official of the railway could give a statement to the committee this morning, because members of the House are receiving telegrams, letters, and other forms of communication continuously, in respect of this matter, and I can quite understand the anxiety of a great many of the employees of the Canadian National Railway in regard to this question.

The CHAIRMAN: Mr. Hungerford is here, and he has placed himself at the disposal of the committee. If he is in a position to make a statement, I have no doubt he will do so.

Mr. HUNGERFORD: I should like to ask Mr. Heaps, if I may, if he is referring to the general situation, or simply the situation at Winnipeg?

Mr. HEAPS: I shall be glad if you will give the general situation in regard to the whole of the Canadian National Railway system. If you wish to refer to the situation in the west, I have no objection.

Mr. HUNGERFORD: Well, the general situation with respect to the mechanical department of the Canadian National Railway is substantially this: ever since the depression set in, we have progressively reduced expenses as much as we could by reducing the hours and distributing works. I am speaking more particularly of the general repair shops in that regard. The first reduction in time was made almost two years ago. Later on, a further reduction was made, but we finally reached a point, notwithstanding the reductions in time that have

been made, where we found ourselves without sufficient work to employ the existing staff even on the basis of reduced hours, and there seems to be no alternative but to lay off a considerable number of men.

Mr. HEAPS: Well, I wonder, Mr Chairman, if Mr. Hungerford could tell us the proposed number of men that were to be laid off. We have had figures submitted to us, showing that over 5,000 men were to be laid off over the whole system. Are those figures correct?

Mr. HUNGERFORD: The total number of men to be laid off at this time, including those who have been laid off within the last month or so, amounts to around 4,000 men.

Mr. HEAPS: Do you think any modification will take place?

Mr. HUNGERFORD: I beg your pardon?

Mr. HEAPS: Is there likely to be any modification in the number to be laid off?

Mr. HUNGERFORD: I can hardly contemplate that; because the number of men to be laid off was carefully calculated on the basis of the amount of work to be performed.

Mr. HEAPS: Is it possible, then, Mr. Chairman, for the system to undertake, as it has done in previous years, work on capital account?

Mr. HUNGERFORD: I do not think I am prepared to answer that, Mr. Heaps.

Hon. Mr. ROGERS: Will Mr. Hungerford tell us how many Americans are working in the shops?

Mr. HUNGERFORD: Mr. Rogers, I have not the figures with me, but the number of Americans employed in the shops at Fort Rouge and Transcona, insofar as I can recall, is limited; only a few, so far as I remember.

Hon. Mr. ROGERS: I am given to understand that there is a large number.

Mr. HUNGERFORD: Unfortunately, I have not the figures here. I cannot recall them, but that is my impression.

The CHAIRMAN: Is it a fact that upon the amalgamation and co-ordination of the different units which now make up the Canadian National system, the management found themselves overloaded with shops and shop men? Is that a correct statement of the position?

Mr. HUNGERFORD: Well, I would say we are overloaded with shops, but not shop men, having regard to the amount of work that has to be done.

Mr. HEAPS: I wonder, Mr. Chairman, if Mr. Hungerford could supply the committee at the next meeting with a list showing the number of men employed by the railway over a period of the last five years, and the amount paid in wages for that same period?

The CHAIRMAN: A five-year period is a long period.

Mr. HEAPS: I think they have the information.

The CHAIRMAN: Well, possibly they have. Will you make a note of that, Mr. Fairweather, and see what can be done?

Mr. FAIRWEATHER: Yes, I think we can do that.

Mr. MACMILLAN: Can you tell me, Mr. Hungerford, if in the years 1930 and 1931 the shop men were employed reconstructing cars and that sort of thing, engines and so on, and what portion of their wages was charged to capital account and operating account?

Mr. HUNGERFORD: Oh well, there are well defined rules in regard to that, Mr. MacMillan. Their wages were paid in connection with construction of new equipment, of which there was a limited amount built; paid on additions to the older equipment. If there was something new introduced to a unit of equipment,

it would be charged to capital account, the remainder and by far the greater proportion would be charged to operating expenses.

Mr. MacMillan: Can we get those figures?

Mr. Hungerford: I think we could.

Mr. MacMillan: For the years 1930 and 1931, the amounts of wages paid, the amounts charged to capital account and operating account.

Mr. Hungerford: I think we can do so.

Mr. McGibbon: Last year we had a system of getting information with respect to certain questions, by putting the questions to the chairman. I suppose we might continue that this year.

The Chairman: If it is the wish of the committee, I have no objection. I see no reason why the questions should not be asked directly of the officials here.

Mr. McGibbon: I was saying last year the information that was wanted by members of the committee was put in the form of a question to the Chairman, and the answers came along in due time. That was done largely to save time.

The Chairman: I think it is a good system of procedure. Has anybody any questions they desire to ask along the lines indicated by Dr. McGibbon?

Hon. Mr. Rogers: I should like very much to get the number of Americans employed at Winnipeg.

The Chairman: I am told that information could be obtained approximately; it would not be absolutely correct. That will be obtained, I think.

Mr. McGibbon: Last day, Mr. Chairman, I brought up a matter in connection with expense accounts of officials of the railway, you will remember, and the committee in its wisdom thought differently from me. So I should like to move that a sub-committee, composed of three persons, of the members of this committee, be appointed by the Chairman of this committee, to investigate the expense account of officials particularly for the year 1930, which the auditor's report is $1,952,000 odd; that the auditors of the company be instructed to assist them, and to make such segregation and analysis of said accounts and vouchers as the sub-committee shall direct; and that a report shall be made at such date as said committee shall direct; and further, that said auditors be instructed to furnish such clerical assistance as shall place them in a position to report as aforesaid.

The Chairman: Will you send that up, doctor?

Mr. McGibbon: Yes.

The Chairman: Gentlemen, it has been moved by Dr. McGibbon—it does not require any seconder, I understand—" that a sub-committee, composed of three persons, present members of the railway and shipping committee, shall be appointed by the chairman of the said committee, to investigate—"

Mr. McGibbon: The expense account of 1930.

The Chairman: Yes. There is a blank. Shall I insert the words " expense account "?

Mr. McGibbon: It is more or less what we referred to last week.

The Chairman: We know what is meant, anyway.

Mr. McGibbon: Yes.

The Chairman: "—expense account of officials, particularly for the year 1931: that the auditors of the company be instructed to assist them and to make such segregation and analysis of said accounts and vouchers as the committee shall direct; and that a report shall be made at such date as said committee shall direct: and further that said auditors be instructed to furnish such clerical assistance as shall place them in a position to report as aforesaid."

Mr. BEAUBIEN: I thought that was settled at the last meeting of the committee.

The CHAIRMAN: I would not think so. What we settled was that Dr. McGibbon was not to have a photostatic copy of the account. I may say to the committee, very frankly, that the reason I voted, or gave the casting vote against that motion last week, was because I thought it would be a physical impossibility. There were hundreds of accounts that would have to be inquired into, and I was given to understand that the volume would probably fill a freight car. Now, that did not preclude the investigation of the items, so far as I am concerned. That would be the sense of the committee, if you analyze just what transpired. As I understand this resolution, it is to have an examination of those accounts by a sub-committee of the committee, and as a member of the committee I see no objection to it.

Mr. BEAUBIEN: Is that sub-committee to report back to this committee?

The CHAIRMAN: Whatever it may see fit to do; it is unlimited.

Mr. BOTHWELL: What is the wording of the resolution again?

The CHAIRMAN: The wording of this resolution?

Mr. BOTHWELL: Yes.

The CHAIRMAN: "Moved by Dr. McGibbon, that a sub-committee composed of three persons, present members of the Railways and Shipping Committee shall be appointed by the Chairman of the said committee to investigate the expense account of officials particularly for the year 1931; that the auditors of the company be instructed to assist them and to make such segregation and analysis of said accounts and vouchers as the committee shall direct: and that a report shall be made at such date as said committee shall direct: and further that said auditors be instructed to furnish such clerical assistance as shall place them in a position to report as aforesaid."

Mr. DUFF: Mr. Chairman, I have no particular objection to this committee or sub-committee going into any accounts in connection with the Canadian National Railways; in fact, I presume it is our duty so to do; but the first point I should like to make is this: we are now dealing with the accounts and statements of the railway from 1931 on. This resolution deals with matters which took place in 1930, and I am not sure in my mind whether we can go back to 1930 after the committee adopted the report of the Canadian National Railways for that year, when we met last year. However, as I said, I am not concerned as much about that, although it is a point which I think we should consider and deal with before we cast our votes on this resolution. If we are going into this matter, if we need detailed information about the 101 other matters which are contained in the annual report, it seems to me, sir, this sub-committee, when appointed, will not be able to report back to this committee this year. I think you will agree with me, that even in the matters contained in Dr. McGibbon's resolution, it is going to take a great deal of time for the sub-committee to get the information which will do us any good. If the committee is to go into all the details of all those different accounts, it is going to take a lot of work. Now, it might be a good idea to appoint a sub-committee which would work during the recess, after we prorogue parliament—

Mr. MCGIBBON: Committees cannot do that, Mr. Duff.

Mr. DUFF: Oh, yes. If a sub-committee of this committee cannot do it, I am going to advocate a way of going on with it. As I say, I am quite in agreement that Dr. McGibbon and parliament has a right to that information, and all details which we can get, and which we think are necessary to the proper discharge of our duties as members of this committee and members of Parliament. It is impossible for a sub-committee of this committee to get the in-

formation if they are going to work at it only during the time this committee is in session during this parliament; and I would suggest, if we are going to do anything at all, let us do it right. I am not quite clear whether this committee can appoint a sub-committee along those lines. It seems to me it is useless to appoint a sub-committee to go to Montreal for one or two days and endeavour to look through a mass of documents which somebody has said would fill a freight car. That is impossible.

Now, I have not got much to do this summer; I am hard up, poor, and sir, there are other members of the committee, I know, who are not in as good shape as they should be financially, and then we got a reduction of $400 on our indemnity— I am opposed to that, as you know Mr. Chairman, I think we are entitled to the whole $4,000. If there is any way that this committee could get the information, which is in the interest of the country, and in the interest of parliament, it seems to me that some way should be devised, and this committee should authorize a sub-committee to deal with this matter in the proper manner, by arranging that it should take the whole summer at the work. They will need it if they are going to go through all those documents. I am no slouch myself at high financing. I feel that if they are going through a whole carload of vouchers, memoranda and accounts, it is going to take a good deal of time, and that is the only way to do it.

It seems to me, Mr. Chairman, there are other matters outside of what Mr. McGibbon has spoken of, which it might be necessary to examine. If we are going to have a cleanup, let us do it in a proper way; let us have a real cleanup, let us go through the whole thing. For instance, I think you will agree, and that the other members of the committee must agree, that after all is said and done, while we do the best we can in this committee, our labour is in vain. There is no question about that. How can we, meeting a dozen times, or two dozen times, for two hours in the day, during the meetings of the committee, during the session of parliament, go into documents that are placed in our hands in the morning. It is absolutely impossible. Let us get down to brass tacks, and decide to leave this matter with the directors of the railway, who have been appointed by the government, and who are responsible to the government and shareholders, and who are there as the representatives of the shareholders, or let us go into the matter properly. Now, the only way to go into it properly is as Dr. McGibbon suggests, appoint a sub-committee, and give them power to take all the time they want to make a proper and full investigation. Since I would not expect a sub-committee to work without pay, I would suggest those who are appointed, if they are going to make a good job of it, that they be paid. In view of the fact, Mr. Chairman, the answer may be made, that members of parliament cannot receive any remuneration for their services—I had an experience of that kind myself when I was chairman of the fisheries committee in British Columbia. I was away from my business for eight weeks, and did not get one dollar. Some of my opponents even found fault with my expense account. As far as remuneration is concerned, I was a member of parliament and did not get one cent for the eight weeks I was away from my business. Due to the fact that the Canadian National Railway system is a separate entity from the government, I make the suggestion that this sub-committee should be entitled to a suitable remuneration and expenses during the time they are connected with this important work.

Mr. McGibbon: Mr. Chairman, in reply to Mr. Duff I might say the reason this was not gone into last year, was that we did not get it until the dying days of the session; in fact I think this committee was appointed when I got the information. Most of the information, I might say, was got by questions put in by myself. I did not say anything about any of those last year, because I thought it only fair to give the board of directors and the management a chance

to clean up the situation a little bit, and I must say I was very much surprised this year when I found that practically nothing had been done. People are paying out a lot of money for this railway; salaries are exorbitant, I think, for the time and the financial condition of the road. The people have to put their hands in their pockets and pay. Now, if this railway were prosperous, and paying its own way, I for one, would not have a word to say. When you have got to go to the people, year after year, and ask them to put up about $100,000,000 for this railway, as I said the other day, in my opinion, you cannot go on very much longer. It is impossible. I gather from Mr. Duff that this resolution does not go far enough; but I am quite willing to open up the whole issue, as far as I am concerned. I think probably it would do it good. I think a terrible mistake was made—I am only expressing my own opinion, I am not expressing the opinion of anybody else—when this whole thing was taken away from the Auditor General. I think that was the first of April, 1923, and in my opinion it was a terrible mistake. At the present time, the people do not know what is going on; they know absoltuely nothing. I thoroughly agree with Mr. Duff that the committee is absolutely useless.

Mr. BEAUBIEN: May I ask a question. If this committee is useless, how much use would a sub-committee be?

Mr. MCGIBBON: I say it is useless as far as obtaining any valuable information is concerned. What can anybody tell from the books that are placed before us? There are no details in them. You cannot get anything specific from them. It is only by questions such as those that you can get a little light on what is going on in the dark behind the board of directors. This account is mentioned simply because I have not the items of any other account; that is all. Any other year might probably have done as well. This struck me as being an exorbitant account. I may be wrong; but at any rate, I think we are entitled to this information. The people of Canada are paying the bill, and they should get the information.

Mr. BEAUBIEN: Has this motion been agreed on? Is there an amendment to it in regard to the year 1930?

The CHAIRMAN: I am just coming to that point. Do I understand that Mr. Duff has raised a point of order against the committee going into the year 1930? As I see it, strictly speaking, Mr. Duff is correct. If you refer to the order of reference, you will see that this committee is referred only to accounts and estimates for the present session. I presume that means for the year that is under immediate review. The year 1930 would be the past year; and in accordance with that, technically speaking, I think Mr. Duff is correct. Dr. McGibbon's motion, however, arises directly out of the discussion of last year, and the report of the committee last year; and the report of the director's committee submitted to this committee this year of last year's expenses, would, naturally, bring it up. If I am pressed for a strict ruling, I have to say that the inclusion of the year 1930 would put the resolution out of order. There is no reason, however, why the year 1931 should not be included.

Sir EUGENE FISET: Before you go any farther, I should like to call your attention to the fact that the fiscal year of the Canadian National Railway and the government are the same. I think the report you are dealing with at the present time deals with 1930 and 1931 as well.

Mr. DUFF: If it does, this resolution is in order.

The CHAIRMAN: It deals with the year 1931, as I understand it.

Sir EUGENE FISET: The fiscal year of the railway.

The CHAIRMAN: The fiscal year of the railway ends on the 31st December. If Dr. McGibbon would amend the resolution to read "particularly for the year 1931", and leave out the interjection, "which the auditors report is $1,952,-

000." That would regularize the resolution. I would suggest that amendment. I would not think that would debar this sub-committee, however, from making a comparative analysis of the railway operations as compared with previous years.

Mr. BEAUBIEN: This motion asks that a sub-committee be appointed to inquire into the expenses of the officials of the Canadian National Railway? Is that the right understanding of it?

The CHAIRMAN: That is it.

Mr. BEAUBIEN: Can this committee go back into a matter which it has already disposed of since that matter was disposed of at the last meeting of the committee?

The CHAIRMAN: I have already ruled against that contention.

Mr. BEAUBIEN: With all due respect—

Mr. DUFF: I think Mr. Beaubien meant last year.

Mr. BEAUBIEN: I mean the last meeting we had.

The CHAIRMAN: You meant Dr. McGibbon's resolution for photostatic copies?

Mr. BEAUBIEN: Yes.

The CHAIRMAN: The point raised by Mr. Duff certainly is technically correct, if he wants to press it.

Mr. DUFF: I would not press my point, Mr. Chairman, if the committee will deal with the question that I introduced. That, in my mind, is of much more importance than the single matter of how many meals the officials had, and how many pounds weight they put on, and how many games of golf they played, and so on. I am sorry Dr. McGibbon made the remark he did in his last statement, where he said if the railway was making money, he would not be so particular about this enquiry. That, in my opinion, has nothing to do with it. If the railway is extravagant in its expense account, they have no right to be extravagant whether they are making $100,000,000 of a profit or $50,000,000 of a deficit. The question is not that. The shareholders of this railway are entitled to know just what the expenses are; and representing the shareholders of the railway, it is our duty to see that no extravagance takes place, whether it is in the different items suggested by Dr. McGibbon, or any other items. There is a good deal of talk around the country about extravagance in this system, even extravagance last year. There is some talk about, for instance, the matter which came out in one of the committees this year, the new car for the Prime Minister; also the matter of some hundred odd thousand dollars spent on the Chateau Laurier last year. These are extravagances, in my opinion, if they are true, and it seems to me they should be investigated, and other matters as well. The Montreal matter should be investigated, and other matters referred to by Dr. McGibbon.

Mr. MACMILLAN: Mr. Chairman, in the report of this committee to the House of Commons last year, dated July 16th, they asked that the Board of Directors,

> "should immediately consider the whole question of salaries, allowances, disbursements, pensions and retirement provisions for executive officers and officials of the company receiving salaries of $5,000 and over in order that every reasonable and proper economy should be effected."

So I should think you have a perfect right to go into the matter referred to.

The CHAIRMAN: If I am obliged to rule, I shall rule that, technically speaking, we cannot go into the year 1930, but we can go into the year 1931, which would involve the operations of the year 1930, which in effect would be exactly the same.

Mr. DUFF: I agree with that ruling.

Mr. MACMILLAN: There are lots of matters that happened in the year 1930 that probably will never happen again, matters that the country should know about. Take this house deal, for instance. The press in reporting the house deal, conveyed the impression to the country that the Canadian National owned the house. They paid for it, but they do not own it at all. The National Railways do not own that house, although they paid for it with our money.

The CHAIRMAN: Dr. McGibbon, would you accept the suggestion which I made, having regard to the consideration which prevails?

Mr. MCGIBBON: I am glad to do almost anything for you, Mr. Chairman, but I am rather inclined to agree with Mr. MacMillan. I think there was, probably, a substantial reduction in 1931, and I am told there is a much greater reduction this year, due, no doubt, to the ventilating of this thing last year. In my mind, the more these things are ventilated, the more care will be exercised.

Now Mr. MacMillan has brought up the matter of the Montreal house. If my information is correct, that was bought by the clerk of one of the director's offices, and on the very same day he applied to the Montreal Trust Company for a loan for the full amount, and got it. And on the same day, too, I think it was the day the present Prime Minister was sworn into office, they rented it to the National Railway for $15,725 a year, plus taxes, insurance, etc. Now, my information is they pay 6½ per cent for the money. Take the difference of what they paid for the money, and what the National Railways is paying, and it amounts to about $3,700 a year, which in ten years would amount to $37,000. Do we have to sit here, representing the people, and let these people go on like that? I, certainly, do not propose doing it. This has been a very disagreeable job for me, both last year and this year; but when you have a railway system with over two and a half billions of capital, that is barely paying operating expenses, and the people have to put their hands in their pockets for the interest that we owe on the bonds, I think it is just about time somebody did something. Somebody has to take action.

The CHAIRMAN: The question of the president's house is properly before this committee, if we want to investigate the whole matter, because it is presently in the accounts of the year under review. There is no doubt about that.

Mr. DUFF: Did I understand you to say, Mr. MacMillan, that the railway bought this house for the chairman?

Mr. MACMILLAN: No, I said the press conveyed that information.

Mr. DUFF: We might still get it straightened out. I want to say, first, that I think the directors exceeded their duties, when they arranged for some person unknown, if they did, to go out and purchase this house. They exceeded their duties when they did that, and I think they exceeded the president's contract when they gave him this house afterwards, free of rent. I am opposed to that, and I want to go on record as being opposed to it. I think that was a mistake, and I do not know now whether that arrangement made by the directors holds good, or not. It seems to me, if it does not hold good, if it is outside of Sir Henry Thornton and the railway company, it should be cancelled. I cannot agree with Dr. McGibbon when he says the person who purchased it and who afterwards rented it to the railway was paying 6½ per cent on the money. Evidently that $3,700 is wrong, because I presume they have house insurance, and other things which they have to pay.

Mr. MCGIBBON: The railway pays that.

Mr. MACMILLAN: The railway pays that.

Mr. DUFF: Insurance on the house?

Mr. MCGIBBON: Yes.

Mr. DUFF: That makes it worse. It seems to me this is a matter which should be investigated, whether or not the railway is liable for that portion of Sir Henry's Thornton's remuneration.

The CHAIRMAN: I have a suggestion in regard to this situation, but let us deal with Dr. McGibbon's motion first, and dispose of that. After that, if it is the will of the committee, we can call for all documents and witnesses relating to the house, which is a separate transaction. I rule it is properly within the purview of this committee, under the estimates that have been delivered to us for the year 1932, and the accounts for the year 1931. There is no reason why the committee should not go into the whole thing. The committee can get the directions, leases, remarks of the board of directors, and everything pertaining to this transaction should be brought before the committee. There is no reason why we should not do that; but let us leave that for the moment until we dispose of the question immediately before the chair. I had hoped Dr. McGibbon would accept my suggestion, that if he is to mention a particular time, he should mention the year 1931. Eventually a comparison with 1930 will come up, and I think he will accomplish his purpose, whatever he has in mind, and we will technically be within the rules of the house, relating to investigations by committees.

Mr. DUFF: May I raise this point, if this sub-committee is going to be appointed, and if Dr. McGibbon's resolution is going to be placed before this committee, I think it should be broadened or widened or extended, to deal with a great many other matters as well as this one particular matter, with regard to this $1,900,000 to see what money was spent for the same purpose last year.

The CHAIRMAN: Are you making an amendment, Mr. Duff?

Mr. DUFF: I would rather Dr. McGibbon would agree to amend his resolution.

Mr. MCGIBBON: I do not see how we can do that, Mr. Chairman, unless we appoint a royal commission.

Sir EUGENE FISET: They have one already.

The CHAIRMAN: Not for those duties.

Sir EUGENE FISET: What are the powers of this royal commission which is sitting at the present time on the Canadian National and other railway matters? Are they entitled to go into those details as well?

The CHAIRMAN: I think they have a pretty broad scope, and I understand from Mr. Hungerford just now, that they are investigating matters of this very character. I am told by Mr. Fairweather they are calling for information constantly, and they have got a mass of information that they are trying to assimilate.

Mr. FRASER: Would that refer to Dr. McGibbon's motion as well?

Mr. FAIRWEATHER: You will find attached to the balance sheet a certificate of the auditors, Messrs. George A. Touche and Company, chartered accountants, certifying the income statements, and the profit and loss accounts. There is a continuous running audit by the Canadian National Railways of all its lines, and that audit is signed by the official auditors, whom I have just mentioned.

The CHAIRMAN: That is not what the members of the committee are asking.

Mr. FAIRWEATHER: Our operations are subject to an audit, a current audit by those auditors. Necessarily it is a spot audit, because they would have to have a staff of 3,000 accountants to make a full audit. A spot audit is currently carried on in all those matters.

Mr. MACMILLAN: There was no spot audit carried on in regard to the purchase and rental of that house. Was there a spot audit in that connection?

The CHAIRMAN: That was a matter of policy for the directors, and I do not think the auditors knew anything about it.

Mr. HEAPS: Has the motion been carried?

The CHAIRMAN: The auditors had nothing to do with the resolution of the board of directors, and the auditors would have nothing to do with the acquisition of the house by way of lease. I am in the hands of the committee. Technically, this resolution refers to the year 1930, particularly, and I am advised it is outside the order of reference.

Mr. MCGIBBON: I will accept your suggestion.

The CHAIRMAN: My suggestion was to insert the year 1931 instead of 1930. If the resolution were left as it is, I think the committee could very well pass it. Unless someone wants to make an amendment, you accept that resolution?

Mr. MCGIBBON: All right.

The CHAIRMAN: Are you ready for the question? The question is:—

> Moved by Dr. McGibbon, that a sub-committee, composed of three persons, present members of the Railway and Shipping Committee, shall be appointed by the Chairman of the said committee to investigate the expense account of officials, particularly for the year 1931; that the auditors of the company be instructed to assist them and to make such segregation and analysis of said accounts and vouchers as the sub-committee shall direct; and that a report shall be made at such date as said sub-committee shall direct; and further that said auditors be instructed to furnish such clerical assistance as shall place them in a position to report as aforesaid.

Carried.

Mr. MCGIBBON: Where do you draw the line of distinction between employees and officials?

Mr. FAIRWEATHER: Of course, in our classification of employees, we are governed by the regulations of the Dominion Bureau of Statistics, as to whether a man——

Mr. MCGIBBON: Where do you draw——

Mr. FAIRWEATHER: Pardon me, I am trying to explain to you. We are governed by those regulations as to whether a man is classed as an official, or whether he is classed as an employee. For practical purposes, in the administration of the railways, there are certain regulations that an employee drawing more than a certain stated rate of compensation, has to have that compensation approved by the board of directors and——

Mr. MCGIBBON: Excuse me, that is not what I want.

Mr. FAIRWEATHER: Just what do you want, doctor?

Mr. MCGIBBON: I want to know what classes are officials, and what classes are employees. For instance, are conductors officials or employees?

Mr. FAIRWEATHER: Conductors are employees.

Mr. MCGIBBON: What classes are officials?

Mr. FAIRWEATHER: Well, I think sir, the only way to answer your question, technically and accurately, would be to read the classification of employees as given by the Bureau of Statistics. That is perfectly distinct. A man who has, generally speaking, supervising power, will be classed as an official. A man who has general supervisory powers would be classed as an official, and a man who has a limited supervisory power, would be classed as an employee. For instance, a foreman is an employee, but the superintendent of a shop is

an official, and without getting very technical, that is, as far as I can say, it depends upon the degree of supervision of technical skill that he brings on his job.

Mr. McGIBBON: An official would be stationary. They would not be a travelling official.

Mr. FAIRWEATHER: A portion of them are stationary, although very few of them.

Mr. McGIBBON: The foreman of a shop?

Mr. FAIRWEATHER: A superintendent of a shop; a foreman is not an official.

Mr. McGIBBON: Would a superintendent be travelling for a shop?

Mr. FAIRWEATHER: The superintendent of a division would be travelling to a considerable extent, because of necessity his work is of such a nature that he has to keep in touch with conditions in the region. He is called for conferences at Toronto or at Montreal; but a superintendent of a shop, for instance, would not travel to anything like the same degree as a superintendent of a division, or a general superintendent would do. It is a matter of degree. A superintendent of a shop would not travel as much as a superintendent of a division. A superintendent of a division, if he is a good superintendent, is travelling at least half his time.

Mr. McGIBBON: If a superintendent of a shop is a good superintendent, he would be in his shop.

Mr. FAIRWEATHER: He would be in his shop, I would say, at least 85 per cent.

Mr. McGIBBON: I can get that classification from the statistics?

Mr. FAIRWEATHER: Yes. There is a classification of employees published.

Mr. McGIBBON: There is another question I want to ask. Disregarding the debt of the National Railways to the country, how does the operating surplus for the last eight years from 1923 compare——

The CHAIRMAN: I do not think they can hear you, doctor. I know the reporter has difficulty in getting you. Before you embark on that, may I appoint this committee. Dr. McGibbon, Mr. MacMillan, and Mr. Duff.

Mr. DUFF: No thank you, not without pay.

The CHAIRMAN: I am sorry, I have no authority to pay. Well then, do I take it you decline to act on this committee?

Mr. DUFF: Yes.

Mr. McGIBBON: You cannot do that.

The CHAIRMAN: You may, if you want to. I shall appoint Mr. Euler. Would you repeat your question, doctor?

Sir EUGENE FISET: Will that committee sit when the House is in session?

The CHAIRMAN: They can sit when they please. It is an informal committee.

Mr. McGIBBON: Taking the operating surplus of the road, and disregarding the debt entirely to the government, by how much did the operating surpluses fail to meet the interest to the public since 1923?

Mr. FAIRWEATHER: Well now, feeling that general question was one which would be of very great interest, in the preparation of the annual report this year, the statement has been prepared which shows, in the consolidated period from 1923 to 1931 inclusive, just what has happened on the Canadian National system. You will find in summary form on page 6 of the annual report, and

with a schedule on page 28—with regard to your first question, you will see on page six that the net surplus earnings—that is what you call your operating surplus—certain items taken out of it before appropriations and interest on funded debt in that period amounting to $254,437,554.54. That is the net amount of cash we took in after paying our annual expenses—

The CHAIRMAN: Operating.

Mr. FAIRWEATHER: And cash expenses. Now, on page 28—

Mr. MCGIBBON: Expenditures, $386,537,381.35.

Mr. FAIRWEATHER: The interest charges on long-term funded debt held by the public in that same period amounted to $386,537,381.35.

Mr. MCGIBBON: It took over $120,000,000 to meet the interest to the public. I think Mr. McLaren said last year, in replying to a question by Mr. Hackett, that it was about $111,000,000.

Mr. FAIRWEATHER: That was not interest. That was included in the year 1931, which, of course, is a disastrous year.

Mr. MCGIBBON: That would make it worse, of course; this does not compare with it; that is my point.

Mr. FAIRWEATHER: This statement is a statement of cash receipts and expenditures.

Mr. MCGIBBON: That does not take into consideration the deficit on the eastern lines.

Mr. FAIRWEATHER: This does not take into consideration the deficit on the eastern lines; this is the Canadian National Railway report. Of course, included in it is the inheritance of all the mistakes and failures in the railway history of Canada.

Mr. MCGIBBON: Now, you cannot get it both ways. Sir Henry Thornton last year very distinctly stated, and he gave the figure, that it cost you no more to bring this railway to a state of efficiency—I presume it would be in a state of efficiency to-day—

Mr. FAIRWEATHER: The Canadian National is efficient to-day.

Mr. MCGIBBON: Sir Henry Thornton in his evidence last year made this statement, and gave the figures, that it cost him no more to bring the National Railways to the present state of efficiency than it did the C.P.R., and the Sante Fe, and other first class railways on the American continent.

Mr. FAIRWEATHER: I do not understand you, sir. In 1923 and earlier than that, when these various roads which now make the Canadian National Railways were assimilated into one company, the physical condition of those properties was simply beyond description. The condition of their equipment was very bad, and the condition of the road bed was simply terrible. And to say that it did not take a lot of money to bring those properties up to their present state of operating efficiency is improper, and must have arisen out of some misunderstanding.

The CHAIRMAN: It did take a lot of money, anyway.

Mr. MCGIBBON: Listen to this, Mr. Fairweather. This is Sir Henry Thornton's evidence, in answer to a question by Mr. Hanson. He says, "Oh, yes; everything that is chargeable to capital. Now, here is a new yardstick. Within the last eight years, the expenditures on capital account on the Canadian National, amounted to $2,069 per mile of line. On the Canadian Pacific Railway it amounted to $1,990 per mile, or practically the same as ours." Then it goes on, and gives the Sante Fe and other first-class railways, and his statement was this: That it cost no more money to put the railways into a state of efficiency than it did the C.P.R.

Mr. FAIRWEATHER: He was not referring to the total of eight years sir, in that, I do not think.

Mr. McGIBBON: I think he was.

The CHAIRMAN: My recollection was that he was.

Mr. McGIBBON: He distinctly says so. He says, "within the last eight years."

Mr. SMART: What page is that?

Mr. McGIBBON: Page eleven of the first report of the committee of last year. He made that point, and was boasting about it, that he had brought the Canadian National Railways into the present state of efficiency at a cost of no more money per mile than the C.P.R. and the Sante Fe and other first-class railways.

Mr. FAIRWEATHER: I think, Dr. McGibbon, that one thing you must keep in mind is this: there is a distinction between capital expenditure and maintenance expenditure.

Mr. McGIBBON: Of course, we know that.

Mr. FAIRWEATHER: Well, that is very much to the point. Now, I have made a study of what has happened to the Canadian National Railways since 1923 and it is my personal opinion that at least $70,000,000 has been expended and charged to operation for the purpose of picking up deferred maintenance which had been permitted to accumulate on the properties during the time the private owners of these properties were going into bankruptcy.

Mr. McGIBBON: How does that compare with other railways?

Mr. FAIRWEATHER: Other railways have no such problems to face.

Mr. McGIBBON: Of course, Sir Henry was bragging about that very point.

Mr. FAIRWEATHER: I think I have heard—

The CHAIRMAN: The point Mr. Fairweather is making is this, that deferred maintenance is not included in that, and when Sir Henry Thornton was giving his evidence, he was speaking of capital expenditure; I think that is very true. You tell us that the figures are comparable to the other systems.

Mr. FAIRWEATHER: Yes, that is the point, exactly. Capital expenditure is such that it would cover expansions to the property, or the purchase of improved equipment or a better class of rail, and things like that; and when you take it all in all, the Canadian National Railways capital expenditures were not excessive, considering the general period of development.

Mr. McGIBBON: I quite understand how your equipment was down. The late Mr. Hays did a lot of good work on the Grand Trunk, double-tracked the road from Toronto to Montreal, with heavy double track.

Mr. FAIRWEATHER: A double-track railway runs down just as a fast as a single-track.

The CHAIRMAN: Doctor McGibbon, excuse me, the reporter is not hearing what you are saying.

Mr. HEAPS: Neither is anybody else.

Mr. McGIBBON: And the road that runs from Toronto North, and which goes through my town, there has been nothing touched for five years, in regard to bridges and all heavier rails. There has been nothing done since, and I do not think there has been anything done from Montreal to Chicago since, in the replacing of rails and bridges.

Mr. FAIRWEATHER: My dear man, we have replaced practically every mile of rail with heavier rails twice since Mr. Hays renovated that property.

Mr. McGIBBON: Did you replace any bridges?

Mr. FAIRWEATHER: Yes; practically every bridge had to be either replaced or strengthened.

Mr. McGIBBON: It was double-tracked.

Mr. FAIRWEATHER: Yes.

Mr. McGIBBON: From Montreal to Chicago?

Mr. FAIRWEATHER: Yes.

The CHAIRMAN: It was rock-ballasted.

Mr. FAIRWEATHER: We rock-ballasted.

Mr. McGIBBON: You put that in as maintenance, not capital.

Mr. FAIRWEATHER: We rock-ballasted portions of it as capital. Now, a portion of heavier rail is capital, too.

Mr. McGIBBON: Half and half?

Mr. FAIRWEATHER: The creosote ties is a maintenance charge, and we have put in this property, something over $11,000,000 in creosote ties.

Mr. McGIBBON: What I am trying to get at is this: how much of an expenditure was included in the figure given by Sir Henry Thornton last year?

Mr. FAIRWEATHER: All the capital portion of it?

Mr. McGIBBON: That would be about what per cent?

Mr. FAIRWEATHER: Well, capital expenses cover a great range of things. The net capital expenditure of the Canadian National Railways, was $419,000,000. Now, that covered a great many things.

Mr. McGIBBON: The maintenance was only seventy.

Mr. FAIRWEATHER: The excess maintenance was seventy.

Mr. McGIBBON: The great bulk, after all, went into capital.

Mr. FAIRWEATHER: No, not in that sense.

Mr. McGIBBON: $430,000,000 of it is.

Mr. FAIRWEATHER: We are talking of two things, Dr. McGibbon, and if you analyze that capital expenditure, you will find it is divided under a great many heads. For instance, in the expenditure on branch lines, you certainly cannot charge that to the picking up of deferred maintenance. A great deal of that money went into construction of branch lines; a great deal more went into the co-ordination of the two properties—or rather, four properties. We had four separate properties to draw together. To operate that efficiently, we had to spend a lot of money connecting them and making their facilities useful to all. And you cannot compare that with deferred maintenance.

Mr. McGIBBON: I am just taking your own figures. Sir Henry Thornton has given figures to show that the capital expenditure was not greater than the others; you say the capital expenditure was $430,000,000.

Mr. FAIRWEATHER: Yes.

Mr. McGIBBON: You also stated you had $11,000,000 that was deferred maintenance. Now, that is only seventy, compared with four hundred and thirty.

The CHAIRMAN: If you will look at page 28, you will find an allocation there of $419,000,000, and some odd, allocated to four headings. All I can say, Dr. McGibbon, that without the analysis of the $419,000,000, and a division of it between works which were extensions, co-ordinations and the provisions for new equipment, and things like that, I do not see that you can make any comparison between the $70,000,000 and the $419,000,000.

Mr. McGIBBON: Except this, that the $70,000,000 is Sir Henry Thornton's figure of last year.

The CHAIRMAN: I do not think they have any connection, because his figures of last year were capital expenditures.

Mr. McLaren: Probably this may clear up Dr. McGibbon's question. For the nine year period, we had expenses for maintenance of way amounting to $397,000,000, and for maintenance of equipment of $423,000,000. It is in those two figures that Mr. Fairweather is referring to that includes the $70,000,000 charge, and that goes to make up a net deficit in that period of $132,000,000 for nine years, or an average deficit of roughly $15,000,000.

Mr. McGibbon: Your figures are published.

Mr. McLaren: Well sir, the question you started with, I think was a comparison of the capital expenditures compared with other roads. Mr. Fairweather was bringing out the point that in this deficit of $132,000,000 for the nine year period, there is a charge roughly of $70,000,000 for deferred maintenance which came in the amalgamation period that should have been taken care of prior to 1923.

The Chairman: Thereby increasing the $132,000,000 deficit.

Mr. McLaren: Right.

The Chairman: Shall we go on with this analysis, or have you any further questions on that point?

Mr. McGibbon: Not just now.

The Chairman: Shall we take up the annual report in the absence of Sir Henry Thornton? I do not see any reason why we should not. We have with us an analysis of the operation of the road, and copies have been distributed to the members of the committee. If there is no other collateral business, we shall take up the annual report.

Mr. Stewart: Do I understand you are going into the house transaction?

The Chairman: If it is the wish of the committee. I am not promoting it. We have not dealt with that, but if it is the desire of the committee to deal with the question of the house, we may do so at once.

Mr. Stewart: How long would it take to get all the documents?

The Chairman: I should think we can ask the management to produce a copy of the resolution passed by the board of directors, along with any information that has been reduced to writing in the matter under submission, and a memorandum which would cover the whole transaction, for the information of the committee. I think that is comprehensive enough to cover it, and we can consider it when we get it. Will somebody make a resolution along that line?

Mr. Stewart: Yes, I will.

The Chairman: Mr. Stewart moves that the management be requested to submit to the committee as soon as possible a copy of any resolution passed by the board of directors in relation to the transaction and any other information that is of a written character, and a memorandum covering the whole transaction. Is that comprehensive enough?

Mr. Duff: To the committee as a whole.

The Chairman: To the committee as a whole; it has nothing to do with the subcommittee as appointed. Shall we take up the annual report, or is there any other collateral matter upon which the committee would like to give directions at this time.

Mr. MacMillan: Mr. Chairman, there is a matter of passes that are handed out by the railways. I understand passes are scrutinized by the Railway Commission; but they get over the issuing of passes by issuing tickets, in the form known as D. 45. I think the C.P.R. are in the habit of passing out those passes also. I should like to get a return of the number of D. 45 tickets issued by the Canadian National Railways issued in the last three years.

The Chairman: This is a matter, gentlemen, which I think is bound to come before this committee, and I have had the opportunity to so inform Sir

Henry Thornton. I asked him to have a statement prepared, but I should like to call your attention first to the provisions of the Railway Act. It is a matter of statute, applicable to the Canadian National Railways as well as the Canadian Pacific Railways. Section 345 is the section, and it might be just as well to read the section into the record, and the committee will know what parliament intended in this regard. Section 345, chapter 107. (Reading.)

Section 345.

Nothing in this Act shall be construed to prevent (*a*) the carriage, storage, or handling of traffic, free or at reduced rates, for the Dominion, or for any provincial or municipal government or for charitable purposes or from fairs and expositions for exhibition thereat, or the carriage free or at reduced rates, of destitute or homeless persons, transported by charitable societies, and the necessary agencies employed in such transportation, or the carriage at one half the regular single fair of ministers of religion, or persons exclusively engaged in charitable, religious, or eleemosynary work.

(*b*) The issuing of mileage, excursion, or commutation passenger tickets, or the carriage at reduced rates, of immigrants, or settlers and their goods or effects, or any member of any organized association of commercial travellers with his baggage.

(*c*) Railways from giving free carriage or reduced rates to their own directors, officers, agents, and employees, or their families, or to former employees of any railway or for their goods and effects, or between points within the province to members of provincial legislatures or to members of the press or to members of the Interstate Commerce Commission of the United States, and the officers and staff of such commission and for their baggage and equipment or to dependent members of the families of members of the Senate, and House of Commons of Canada, and members of the board and such officers and staff of the board, as the board may determine, and for their baggage or to such other persons as the board may approve, or permit; or

(*d*) Railways or transportation companies from exchanging passes or free tickets with other railways or transportation companies for their officers, agents, and employees and their families, goods and effects, or from issuing passes or free tickets to officers and employees of the Department of Railways and Canals, or their families, and their goods and effects, or a similar interchange of passes or franks with or by telegraph, telephone and cable companies.

(*e*) Railways from giving free carriage to the Governor General and staff, and families and baggage and equipment.

Provided that the carriage of traffic by the company under this section may, in any particular case, or by general regulation, be extended, restricted, limited, or qualified by the board, and the board, in or by any order or by general regulation, may prescribe the forms to be issued or used by the company for the carriage of traffic at free or reduced rates under this Act, and the terms and conditions applicable thereto, and the records to be kept by the company of all such traffic carried and of all passes, free and reduced rate transportation issued or given by the company, and shall require the making of periodical returns duly verified by affidavits to the board in respect thereof, and it shall be the duty of the board to examine such returns with a view to seeing that the law has been observed.

2. Whenever the board sees fit, it may require the company to grant and issue commutation tickets at such rates and on such terms as the board may order.

Now, there is the law.

Mr. BOTHWELL: What is the number of the section?

The CHAIRMAN: Section 345, chapter 107. I understand there has been no amendment to that, but that is subject to checking by the law clerk, who is present. That is the law, gentlemen, and there is the problem that is raised by the charges that have been made in the Senate and outside. If you will refer—

Mr. DUFF: What were the charges?

The CHAIRMAN: Well, Senator Black made a speech in the House on the 16th March, 1932. If you will look at page 131 of the Debates of the Senate of Wednesday, March 16, you will observe the following.

Mr. BOTHWELL: 1932?

The CHAIRMAN: This very last month. On page 130 the speech is as follows:

> "Now, I come to another question that affects the railways and the country as a whole, and that is the system which we have here—and it prevails all over this continent—of issuing passes."

It is a very long extract, and I do not know whether the committee would like to hear it read or not. I will give you the citation, anyway. At page 131, he gives certain concrete illustrations of what he represents to be an abuse of the system. I am not passing any judgment on that at all, I am just offering this information to the committee, for what it is worth. I should not like to see a discussion continued to-day on this question in the absence of Sir Henry Thornton, because I have no doubt he would like to be present, and to make his defence if any is required. I do not say that he is on trial at all, but I want to be, as far as I am concerned, scrupulously fair to him, and I believe that every member of the committee does also. I would suggest that we do not go into the matter in any detail to-day. It has been brought out, and I would suggest that discussion be returned to at a later stage, when Sir Henry Thornton is present. This suggestion is offered in all good will to the committee, but there is no reason why this committee, in the pursuance of the discharge of its duties, should not ask for full information as to how the provisions of the Railway Act have been observed by this company and the other company.

Mr. DUFF: Did Senator Black charge abuses had been carried on in the business?

The CHAIRMAN: It is a matter of opinion what he did say. I am not reading the whole thing.

Mr. MCGIBBON: Why not read it?

Mr. MACMILLAN: Are they limited to 40 minutes in the Senate?

The CHAIRMAN: No, I do not think they are. It may be just as well to read it.

Mr. POWER: If we are going to investigate this matter, we might as well put the charge on the record.

The CHAIRMAN: I am not calling it a charge—a statement, at any rate, which he made. I might say to gentlemen of the committee, that as chairman of this committee, I have received a good many communications from members of the public in regard to what they claim to be abuses of this system, with respect to transportation on the railways, and that it is one of the contributing reasons why the railways are in the position in which they find themselves to-day. It is a natural sequence, if there is an abuse of the privilege, that it has a detrimental effect on the earnings of the railway; that, of course, if one of the things they complain of. If it is the wish of the committee that I should read the speech or the extract from Senator Black's speech, I shall do it.

Mr. STITT: Put it on the record; never mind reading it.

The CHAIRMAN (reading):

> I do not believe that the giving of passes is a good thing. Members of parliament travel free, not by virtue of having passes, but by law; nevertheless, in the eyes of the public they travel on passes. I am quite willing to admit that probably there are very few men who get more real use out of their transportation than I do, for my business keeps me on the train a good deal of the time; but if, in the interest of economy and to do away with what I regard as a very great evil, it were necessary that members of Parliament do without free transportation, I would say by all means let us do without it. If desirable each and every senator or member of the House of Commons could be given a travelling allowance based on the average cost of the transportation now provided for members of parliament.
>
> Honourable gentlemen are aware, I suppose, how the system of passes in vogue in the United States and Canada operates. In this country free transportation is granted under certain conditions drawn up by the Railway Association of Canada. A similar arrangement is in existence in the United States, and the two organizations work together almost as one.

I do not know what he means by that; that is a general agreement between the railways. Is that the idea?

Mr. HUNGERFORD: Yes.

The CHAIRMAN: Outside the Railway Act?

Mr. HUNGERFORD: No, within the railway.

The CHAIRMAN: (reading)

> The general basis is this: if a man employed on a railway in Canada, whether as a sectionman, or a brakesman, or otherwise, has served one year, he is entitled to three passes over the territory within a radius of 1,500 miles; after two years' service he is given four free passes; after the third year five, the fourth year six, and the fifth year seven. After three more years he is entitled to one foreign pass, which will take him from the Atlantic to the Pacific, down the coast to California, and back by some American roads into Canada. After a man has been employed for ten years by either of our railways he receives a pass for himself and his wife, which is good every day in the year in the region in which he resides. After fifteen years he is given, for himself, and his wife, the same privilege extending over two regions. After twenty years or more he has a free pass for himself and his family, good year in and year out, all over Canada, in addition to which he receives yearly foreign pass if he desires to use it. I do not find any fault with the railway employees for making use of these passes. They are quite entitled to do so in every respect, because they do it under the regulations of their own organizations and with the consent of the government, though not by law.

Possibly that statement is not quite accurate.

Mr. FRASER: Is that a regulation of the Board of Railway Commissioners?

The CHAIRMAN: No; it is a regulation of the Railway Association of Canada.

Mr. FRASER: And it is authorized by the Board of Railway Commissioners.

Mr. SMART: It is more or less an agreement between the railway companies as to what they should do; but it is always within the Act; it is always within the requirements of the Railway Commission.

Mr. MacMillan: These abuses that the Senator is speaking of, and what you are reading from, are they passes or tickets?

The Chairman: Passes.

Mr. MacMillan: D. 45 is the form I have reference to.

The Chairman: I do not know what D. 45 is.

Mr. MacMillan: I understand that is a form. Is that correct? Is D. 45 your form? Have you a form known as D. 45, a ticket that is given out?

Mr. Hungerford: I cannot answer that offhand. I do not know.

The Chairman: I understand this refers only to passes which are regularly issued, and are within the operation of the law, and the regular regulations made under the law.

Mr. MacMillan: It is the ticket business I am particular about.

The Chairman: (reading)

> The Railway Act says that nothing in this Act shall prevent the giving of these passes, and when the railway managements, with the Railway Association, make up their schedules and issue the passes, I do say, however, that in periods of depression there is nothing which makes the ordinary man in the rural district feel more resentful than the fact that his neighbour and his neighbour's wife and son and daughter are going up and down to the market towns free of cost.
>
> Hon. Mr. Lynch-Staunton: Can the honourable gentleman say as a matter of fact whether they get reduced prices for meals on the trains?
>
> Hon. Mr. Black: I prefer not to touch on that now.
>
> Let me illustrate what I mean. A young man working on a section of the railroad receives perhaps $3 a day, and the man next door—he may be this man's father, his brother and his cousin—who works on a farm gets $1.50 or $2, and thinks he is lucky to get it in these times. But there is a further difference. When the chap who works on the railway wants to go to the neighbouring town, or to market, where he can get things very much more cheaply because of chain stores and that sort of thing, than he can at home, he travels free, and he takes his wife with him, and brings home his truck, whereas his relatives and chums have no such privilege. They resent it. I know intimately what I am talking about, because this has been thrown up to me time and again. I hear it almost daily when I am travelling in my own locality, and I am satisfied that any honourable gentleman who goes about the country very much is aware that there is a real feeling against the railways and the railway employees because of this free transportation, which costs millions of dollars yearly.
>
> Let me tell you of two instances that I saw with my own eyes. Not very long ago, on February 28, to be exact, there was a special train put on, not far from here—I can name the place if you want me to—to take some people to a hockey match. It was a rough night and that train was not as well patronized as might have been expected. There were 116 passengers on the train, and of that number 72 were travelling on passes. In other words, 72 were employed by the railway, or were in some way connected with it, or had a father, brother, or other relative who was connected with it.
>
> Another case that I have in mind is this. I got into a train in December, 1930, and went into a first-class car: it was filled up. There were two men; the rest of the passengers were women and children. I noticed that they had baskets with them. Undoubtedly they contained their lunches. It is easy to recognize a lunch basket. I was looking to see whether any of my friends were on the car, but these people evi-

dently had come from beyond my territory and I did not know any of them. I asked the conductor who they were and where they were going, and he informed me they were going to Moncton to do their Christmas shopping. I said: "Have they hired the car? They look as if they were going to live in it for the day." He said they had not, and then I remarked: "I suppose they are all travelling on passes." He said they were. That car, which could accommodate about eighty persons and had about seventy in it, was dropped off, and on the return journey was picked up again and taken back to the place from which it came. You cannot blame those people at all. They were the wives and children of men working for the railway, and were quite within their rights in going to Moncton to do their Christmas shopping. But what do the other men and women who live in the same town with them think? They travel 120 miles free—that is about the distance that particular car went—but have to pay for a return ticket $5.85, if I am not mistaken. That is not a large amount, but if you multiply it by sixty or seventy, and if such an incident occurs once or twice a week, it becomes a matter of some magnitude.

What is the pleasure of the committee in regard to this matter?

Mr. POWER: I would suggest that the matter be dealt with by Senator Black moving in the Senate that there be an amendment in the Railway Act, providing thereby power to correct those abuses. It has nothing to do with us. It is a matter for the department to decide whether they are going to enlarge the scope of railway passes or restrict them.

The CHAIRMAN: It is a matter of policy for the companies themselves.

Mr. POWER: I do not think it has anything to do with us.

The CHAIRMAN: Mr. MacMillan raised the point. If it is true, it is important, that the railway management handed out free transportation over and above the Railway Act.

Mr. MACMILLAN: I understand, in fact one of the officials of the Canadian Pacific Railway told me that they were handing them out, and I want to know to what extent this practice is going on.

The CHAIRMAN: Would it be fair to put this to the management; that at a subsequent session of this committee, they hand to this committee a memorandum indicating to what extent, if any, they have gone beyond the provisions of the law. So far as I am concerned, if it is true, it may be a very expensive thing for the railways. There is a local angle to this matter too, which affects the community. In the city of Moncton there is a large mail order house which does an over-the-counter business. If you travel on the train from Fredericton to Moncton, especially in certain seasons of the year, you will find a very large amount of passenger traffic going into Moncton for the purpose of making those purchases.

Mr. POWER: That right is a Maritime right; derived from the Intercolonial Railway. It is a Maritime right they have enjoyed for generations, and you must not deprive them of it. If you do, there will be a revolution.

Mr. MACMILLAN: I think the information should be available. I should like the railway companies to give us the information as to the number of those passes or tickets, not passes. I do not want to confuse the pass business with the ticket abuses. Whether it is within the Act or not, I do not know. I should like to know the number of tickets that the Canadian National Railways has handed out in the last few years.

The CHAIRMAN: Cannot you make a general statement as to the amount of transportation?

Mr. MACMILLAN: We can get it from the C.P.R.—

The CHAIRMAN: I do not know; we have no jurisdiction over the C.P.R. What you want to know is the number of transportation facilities, if you put it that way, that have been handed out over and above that which comes within the Railway Act, and translated into money, what is the cost to the country, in other words?

Mr. MCGIBBON: Might I make a suggestion, which is, that you also include the passes that have been issued for transportation on boats to the West Indies, etc.

Mr. MACMILLAN: Get the whole works.

The CHAIRMAN: I would suggest we leave that until we come to the question of steamships.

Mr. MCGIBBON: Except you might get the whole return at once.

The CHAIRMAN: That is merely my suggestion. It is for the committee to decide what they want.

Mr. MACMILLAN: Do you want a motion to that effect?

The CHAIRMAN: Yes. I do not want it to come from the Chair; I am trying to further what you want.

Mr. MACMILLAN: I would move that the railway company furnish this committee the number of tickets, I think it is form D. 45, that they have issued in the last three years, giving the figures by years, and the amount of money that would be involved had the regular rates applied to the issue of tickets.

The CHAIRMAN: Is that the wish of the committee?

Mr. BEAUBIEN: Before it goes through, may I suggest this: if this committee is going to investigate violations of the Railway Act, I think we are away beyond our jurisdiction, because I think it is unfair to bring forward to the public the amount of railway tickets, in violation of the Railway Act that the Canadian National Railways are issuing. I understand they do issue tickets in the way of advertisement. I understand they give—if my information is incorrect I would be very glad to be corrected by Mr. Hungerford—passes to the press—

The CHAIRMAN: That is all within the law. They have always been extended the privileges of passes.

Mr. BEAUBIEN: I think it is unfair to ask one railway system, because it is under public ownership, to give this information. If you are going into the question, why not investigate the whole violations of both railways. I do not think it is fair to the Canadian National Railways. I have no objection to the investigation at all. If the Canadian Pacific Railway and the Canadian National Railways are violating the Railway Act, I think we should know it, and I think Parliament is entitled to know it. I think we are going too far by asking one railway company in Canada to bring all this information, and not having any jurisdiction to ask the information from the other railway. I do not think it is fair; I think we are going just a little too far.

Mr. MACMILLAN: This is not an investigation at all. All I have asked, and all the resolution asks for, is information in regard to those tickets. There is something in what my friend says about the C.P.R. Apparently we have no jurisidiction over the C.P.R. If we get this information from the C.N.R., then we can probably get somebody to get it from the C.P.R.; I think it is only fair it should be done.

Mr. BEAUBIEN: Might I suggest to Mr. MacMillan, if this information is brought forward by the Canadian National Railways to this committee, it will go on the record.

Mr. MCGIBBON: That is where we want it.

Mr. BEAUBIEN: If it goes into the record, it will go about the country. If it gets out to the public, the public will get it in this way, that the National Rail-

ways are violating the Railway Act as to rates, and they have thereby lessened the revenue of the Canadian National Railways. If we are going to have an investigation, I repeat again, on the violation of the Railway Act, let us have that investigation by the Committee on Railway, Canals and Telegraph Lines. If we are going to be fair, I think that is fair.

The CHAIRMAN: Of course, that is not the motion.

Mr. BEAUBIEN: That is practically the motion.

The CHAIRMAN: The motion is to ask for information. That is the point. If there has been no violation, they might answer there has been no violation of the Act.

Mr. BEAUBIEN: Hs is asking for the number of tickets used.

The CHAIRMAN: Yes.

Mr. BEAUBIEN: If we ask the railways if they have issued tickets in contravention of the Railway Act as it reads, and they say "No," that is all right. If they say "Yes," you are asking for the numbers in violation of the Railway Act; and to do that to the Canadian National Railways I do not think is fair. That is my opinion.

Mr. MACMILLAN: I do not know it is in violation of the Railway Act. My friend may be a lawyer, and he may know more about it than I do. I cannot say whether it is a violation of the Railway Act or not. I am asking a simple question, and that is all. I am simply asking the railway company, which is a great charge upon this country, and the Canadian Pacific Railway are getting in the same position. We are appointed by parliament to carry out, as far as we can, in the limited time at our disposal, some sort of an investigation into this matter. It is a well-known fact that charges are laid against the Canadian National Railways. I am the best friend the Canadian National Railways have —perhaps they do not think so, but I am. There have been rumours of extravagance in certain directions in the railway, and the committee that can put some of those things right are doing a great service to this country when they put them right. If this transportation has been handed out in a promiscuous manner to any large extent by both of those railways, perhaps this is one place where we can block up a big hole.

The CHAIRMAN: I see no objection to the information being asked for.

Mr. BEAUBIEN: I object to information being broadcast.

The CHAIRMAN: That is a matter for the committee. They may decide not to broadcast it.

Mr. BEAUBIEN: How are you going to avoid broadcasting it?

The CHAIRMAN: We avoided last year broadcasting it. If it had been broadcast, probably it would have saved some money for the public. It was held that they were not entitled to it, but I am not so sure.

Mr. BEAUBIEN: My friend made an observation in regard to my being a lawyer. I am not a lawyer.

The CHAIRMAN: Mr. Hungerford has observed to me that both roads ought to be on the same basis. I agree entirely with that. I do not see how we can do it, except by this way: we have jurisdiction over the National Railways; we have none over the Canadian Pacific, but we can make a recommendation to parliament that the Railway Board should look into the question of the C.P.R. and undoubtedly they have jurisdiction—to see whether their rules and regulations and laws have been violated. I think we shall leave it at that.

Mr. BEAUBIEN: If that is your suggestion, along with the suggestion of Mr. Power, would it not be just as well to allow the matter to stand as it is, and make a recommendation to parliament for the Board of Railway Commissioners to investigate it.

The CHAIRMAN: How are you going to make a recommendation? On what basis will you make a recommendation unless you know what the fact is? Now, if there is no abuse, that is all right. If there has been no violation of the law, no harm has been done to the National Railways or anybody else. If there has been a violation of the law, then this committee can deal with it. As it is, we can only deal with it by a recommendation to parliament, asking that the Board of Railway Commissioners go into the matter and clean it up, if there is a situation to be cleaned up. That is all we can do about it.

Mr. BEAUBIEN: The point I want to make is this: I have no objection to the investigation going on; none whatever. It is perfectly proper; but I do not think it is fair to have one railway system bring out the information, unless you get the information from both railway systems. I do not doubt they have been violating the Railway Act, and quite properly so, in some instances. It is not a moral sin. This is the only objection I have: the information will be obtained from one railway only.

The CHAIRMAN: I have tried to point out the lack of jurisdiction on the part of the committee. I see no objection to the information being asked for by Mr. MacMillan being forthcoming. I think the railway company, in its own interest, ought to produce the information. If the answer is in the negative, as far as this committee is concerned, that ought to be satisfactory. If it is in the affirmative, and the law has been violated by a custom which has grown up over a period of years, and we come to the conclusion the law has been violated, we can make a proper recommendation to parliament, and I have no doubt that evil will be cured. The best cure for evils of this character is a little publicity. What is your pleasure in regard to the motion?

Carried.

Gentlemen, it is nearly one o'clock. Shall we take up anything else this morning?

Mr. MUNN: At the next meeting I should like to have some information from the officials in regard to tie contracts which were placed this past year.

The CHAIRMAN: There is no reason why they should not produce that.

Mr. MUNN: The railway committee, I think, authorized the purchase of something like 2,000,000 ties. I should like to have an idea as to the amount of ties purchased, and what price was paid for them, and how many had been delivered.

Mr. BEAUBIEN: Might I ask that the officials of the Canadian National Railway give this information. I have had a lot of correspondence, and there have been rumours in the country as a whole, substantial rumours, in regard to improvements to the Chateau Laurier or changes that were made in the Prime Minister's house. I should like to ask who it was requested by, and what was the cost.

The CHAIRMAN: What he pays?

Mr. BEAUBIEN: What he pays.

The CHAIRMAN: As far as I am concerned, you can have the information. You will find it will be entirely satisfactory.

Mr. BEAUBIEN: I am not saying it is not, but I would like to have it to do justice to the Prime Minister.

Mr. CHAIRMAN: I am quite sure you are actuated by that desire.

When shall we meet again?

Mr. STEWART: At the call of the chair.

The CHAIRMAN: Sir Henry is ill; I am not very keen to go on in his absence. He wants to be here himself, and in deference to him, I think we ought not to

go too far in his absence. What would be a convenient day? Next Tuesday? Of course, we ought to remember this; the session is getting on; we shall have to do very intensive work.

Sir EUGENE FISET: Once we have gone through those special questions asked here, I do not suppose we are going to go through the whole report as we did last year—

The CHAIRMAN: I do not see how we can.

Sir EUGENE FISET: I think it will be quite satisfactory to this committee,—after we have the answers to those special questions, I think we can bring the proceedings of this committee to a conclusion very quickly.

The CHAIRMAN: There is always this to be considered: that there is at present a commission functioning, and they are dealing with, to a great extent, many of the problems that quite properly come before this committee. I had hoped, because of that, the deliberations of the committee might be shortened.

Mr. POWER: It would be—

The CHAIRMAN: I have been given to understand that they have made a very intensive study of the problems in relation to transportation, and I am also informed by Mr. Hungerford that they are exercising their functions. Shall we sit this day week?

Mr. BEAUBIEN: At the call of the chair.

The CHAIRMAN: All right.

Committee adjourned at the call of the chair.

ROOM 231, HOUSE OF COMMONS,

April 19, 1932.

The Select Standing Committee on Railways and Shipping met at 11 a.m., Mr. Hanson presiding.

The CHAIRMAN: Gentlemen, I am sure we are all very glad to welcome back Mr. Chaplin and to see him in such good health. As is well known to everyone, I am merely his locum tenens, and since he has returned from his trip to the coast I would be delighted to resign the chair in his favour. I ask the committee to act in the premises.

Hon. Mr. CHAPLIN: These remarks perhaps call for a word from me. I have no wish to have the committee do any such thing. I am sure the committee are carrying on to the very best advantage. I will be glad to retain my membership in the committee and do anything I can to aid its work, but I am not in a position and do not want to be worried by the chairmanship.

The CHAIRMAN: We all realize that if Mr. Chaplin had not been obliged to go west he would have been chairman of this committee. I have another committee, not a very onerous one. I certainly would be delighted to resign as chairman here. I would like to know what the committee desires done in the matter. I am tendering my resignation as chairman.

Sir EUGENE FISET: We do not accept it.

The CHAIRMAN: Well, gentlemen, I will do the best I can with the support of the committee.

I think we should now take up the regular agenda of the committee, that is, consideration of the annual report of the system for the year 1931 and the estimates for the year 1932. Other matters are more or less collateral, but I think we should now start in on this regular work with a view to getting through. I have in mind when I say that, that a great many of the matters which this committee have in the past had to consider, and will have in the future, are this year being considered by the Royal Commission. It seems to me it would be more or less duplication of work for us to take them up. But I do not want that remark to be construed as shutting out anybody in the committee who desires to bring anything before the committee. The Royal Commission of course have a permanent secretariat which has been in constant communication with both railway systems collecting and collating an immense amount of data and putting it in shape for their report.

So if it is the wish of the committee we might take up this morning the annual report of the system. This I understand has been distributed and I presume has been read by all. What is the wish of the committee?

Mr. STEWART: Proceed as outlined by you.

The CHAIRMAN: If the members of the committee read the letter of the chairman and president to the Minister of Railways, it seems to me that is a very full document and one that should be gone over with a great deal of care by the committee. I will ask Mr. Fairweather to read the opening part of the statement by the chairman and president.

Mr. FAIRWEATHER (reads):

MONTREAL, March 24, 1932.

To the Hon. R. J. MANION, M.D., M.P.,
Minister of Railways and Canals,
Ottawa, Ont.

SIR,—On behalf of the Board of Directors, I have the honour to transmit the report of operations and affairs of the Canadian National Railway System for the calendar year 1931. The report consists of three sections as follows:—

(1) The financial results and statistics of the Canadian National Railway System excluding Eastern Lines.

(2) Financial results and statistics of the Eastern Lines as defined by the Maritime Freight Rates Act, 1927.

(3) Combined income statement of the System including Eastern Lines.

The consolidated balance sheet and the schedules thereto include the Eastern Lines with the exception that, in accordance with the provisions of the Maritime Freight Rates Act, deficits resulting from the operation of the Eastern Lines have been excluded from the Canadian National results. The accounts have been examined by chartered accountants representing the Dominion Government and have been certified to as exhibiting a true and correct view of the affairs of the System.

For the third successive year the operations of the Canadian National System reflect the effect of the world-wide business depression, which first appeared in July, 1929. Since that date the trend of traffic receipts has been continuously downward. The year 1929 showed a decrease as compared with the previous year of 5·53 per cent; the year 1930 was 17·22 per cent below 1929; the year 1931 20·28 per cent below that of 1930. The operations of the System at the close of 1931 reached a level of 37·65 per cent below 1928. The depression is so wide and involved that a discussion of its causes and suggested remedies can form no part of this report. It is sufficient to say that the depression is probably without parallel in its intensity, and as a result those responsible for the administration of the property have been faced with a problem of unprecedented difficulty in adjusting services and expenditures to the rapidly changing traffic conditions.

The operating revenues during the year 1931 showed a reduction of $45,095,810.15 as compared with the previous year, a decrease of 20·3 per cent, closely in conformity with the experience of the more important railways on the North American continent which showed a decrease of 20·7 per cent. To cope with such a decrease in traffic, following substantial decreases in the two previous years, while at the same time to maintain the property in reasonably efficient condition and to provide transportation services essential to the country, called for extraordinary measures of economy. Salaries, rates of wages and hours have been reduced; the staff of employees has been decreased; many agency stations have been closed; a severe curtailment of train service has been instituted and capital expenditures have been curtailed. A program of extraordinary economies was introduced progressively as the situation developed and the effect will be manifested more completely in 1932 than in the year under review. The management has so far endeavoured to avoid the accumulation of such deferred maintenance as might constitute a serious future liability on the property.

The effective budgetary control of expenses inaugurated during the previous year, was further strengthened in 1931 by the formation of a Finance Committee composed of three directors expressly charged with the close scrutiny of all expenditures, and it may be said that all officers and employees of the Company are aware of the dangers and difficulties arising from the present situation, and are loyally and continually devoting their best efforts to secure a maximum of economy.

There was a decrease in operating expenses of $26,085,904.93, 13·3 per cent as compared with 1930. The average reduction in expense of Class 1 roads in the United States was 17·9 per cent, and as it is more difficult for a system with low traffic density than for a system with high traffic density to reduce expenses, the percentage reduction achieved by the National System during the year 1931 compares favourably with the experience of Class 1 roads of the United States which enjoy twice the traffic density of the Canadian National System. There is, of course, a vast difference in the extent to which operations of railways, as compared with other industries, can be curtailed. In times of depression most industries can close unprofitable branches to effect a necessary reduction in expenses, as there is always a close relationship between production and consumption; on the contrary a railway must give a reasonable service to the public each day throughout the year, if serious inconvenience is to be avoided.

While conditions arising from the depression have had a profound effect upon Canadian business, and have produced a crisis in transportation affairs presently under review by a Royal Commission, it should be remembered that Canada is favoured among the nations of the world; that the future of our country rests upon sound foundations, that its potential resources are unimpaired.

Mr. STEWART: Last year I think there was some statement made by the management that arrangements were being made with the other railway whereby they would be enabled, by their new express rates and other arrangements made, to compete more favourably with the autos and bus express rates. Have you made any further arrangements, and have you been able to compete any more successfully than in previous years?

Sir HENRY THORNTON: The answer is that some progress has been made. The two railways are working in accord with a view to retaining as much traffic to the rails as compared with that which has gone to the highways as possible. We have tried with success the experiment of moving on local passenger trains less than car-lot freight. We have adjusted the time of certain freight trains in order to give quicker delivery and meet more effectively the highway competition. And we have under consideration with the Canadian Pacific Railway still more far-reaching and important methods of dealing with the situation. Those are still under consideration.

As far as competition with highways goes, the plain fact is that there is only one way to compete, and that is to compete. What I mean by that is, it is no good for the railways to expect to retain traffic to their lines if they offer a service which is not commensurate with the highways, because obviously the instrumentality which offers to the shipper the best service gets the business. So when I say that there is only one way to compete, and that is to compete, it means by measurably meeting the character of the competition.

Hon. Mr. EULER: You do not necessarily mean that you might go into the same method of transportation?

Sir HENRY THORNTON: That may be, that is exactly what I do mean. One of the avenues which we are exploring now, and one of the methods under consideration is to meet highway competition with the same character of service, both collection and delivery.

The CHAIRMAN: Before you do that, will you not have to get the provincial jurisdictions to pass proper regulatory legislation?

Sir HENRY THORNTON: That is undoubtedly true. My own personal views, for what they are worth, are simply this, that in meeting this situation those who use the highways should be obliged first to pay such a charge for the use of the highway as is commensurate with the use they make of it. In other words I see no reason why those who use the highway should be provided, either at the expense of the province or the state, with a highway free of charge, or substantially free of charge. In other words, if some individual is going to use the highway for transportation purposes he ought to pay some charge commensurate with the use he gets from it.

Secondly, the vehicles which use the highway for commercial purposes should be limited both as to size and speed, first to prevent undue destruction of the surface of the highway, and secondly, not to interfere with the reasonable use of that highway by others who use it. For example the size of a truck or commercial vehicle which uses the highway should be somewhat less than half the width of the travelled highway, in order that other vehicles may pass it with safety and convenience.

Thirdly, the rates, both for passengers and freight, which are charged by companies using the highway, should be subjected to the same review as is the case with respect to railway rates and fares.

Fourthly, those to whom passengers and freight are confided for movement, that is to say those who operate the vehicles on the highway, should be subjected to some reasonable examination to ascertain that their physical condition is such as permits them to use the highway with safety.

Hon. Mr. EULER: Do you think the highways now, generally speaking, are sufficiently wide and constructed strongly enough to carry this heavy traffic?

Sir HENRY THORNTON: I should say in some cases yes, but in many cases no. For example, I suppose all of us have had experience of trying to pass a motor-truck whose width is such that it occupies at least half, or more than half, of the travelled way. It is exceedingly difficult for the private individual driving, say on Sunday afternoon, with his wife and family, to pass safely a vehicle of that sort.

Then again the axle loads on some of these commercial vehicles are of such magnitude that they seriously damage the surface of the highway, and in certain cases strain the bridges perhaps to an unsafe point. It is exactly like a railway. On the railway we have to adjust the axle loads of our locomotives and cars to suit the strength of the bridges on the railway. The same thing is more or less true with respect to the highway.

To go back to what I was saying a moment ago, I think it would be unwise and unsafe to confide a bus-load of passengers to a chauffeur who may be a perfectly good chauffeur but who may be afflicted with heart disease, who may perhaps at any time have an attack of some sort which would jeopardize the lives of others.

The CHAIRMAN: Or might be drunk.

Sir HENRY THORNTON: Well in fact the drunken man is always a danger to the community, no matter where you find him. But as you are aware, on the railway, trainmen and engine-men are subjected to fairly rigid physical examinations to insure that they are in sufficiently good physical condition to carry on their duties both as to vision and colour-blindness and all those physical attributes which they must have if they are to operate trains safely and successfully.

If those four things that I have touched upon were dealt with effectively, then I feel that the railway would be on a fair competitive basis and will then

have to take its chance. I am the last person in the world to advocate any restriction of the use of the highways that is in the interest of the public. I speak for the railways as a whole, not the Canadian National particularly, my feeling is that the competition ought at least to be fair, and when it is fair then we have got to take our chances, and I think if it were reduced to a fair competition we could probably recover a very fair proportion of this traffic which is now going to the highways. But there is no question but what a measurable proportion of the traffic which has left the railways and gone to the highways will stay on the highways, and we cannot get it back. As a matter of fact there is some of this transportation that we would just as leave kiss good-bye and see it go, more particularly short-haul traffic, which is the least remunerative traffic that a railway handles.

This has been a somewhat long dissertation, I hope you will pardon me for going into these details, but that broadly represents the point-of-view, I think, of all railway officers who have given the matter intelligent consideration.

Hon. Mr. MANION: Is it not correct that if you do go into the motor business to a certain extent in competition, that the two railways are likely to go in together in anything they do? Are there not some conversations going on?

Sir HENRY THORNTON: Yes, that is unquestionably true. This is not exclusively a Canadian National problem and it is not exclusively a Canadian Pacific problem, it is a railway problem, in which both the larger railway systems of Canada are vitally interested, and we are endeavouring to solve this problem jointly, and to do jointly that thing which will bring to both of us a maximum of traffic with a minimum of expense.

Mr. GRAY: I do not think anyone need apologize for discussing this at some length, to my mind it is one of the most important subjects we have to deal with. The same thing has been discussed here year after year. If my memory serves me rightly, Sir Henry made much the same statement at last year's sitting. I would like to know what progress we have made towards bringing about the thing he is now suggesting, because my observations are that in the Province of Ontario, at least, not a great deal of sympathy has been aroused along the lines suggested by Sir Henry with the Minister of Highways there. I think the Chairman is right, that you must meet the provinces in the method of regulation and highway control before you can get anywhere. I would like to know what progress you have made with the various provincial governments along the lines you suggest.

Hon. Mr. CHAPLIN: One of the most important things, to my mind, is the matter of control of roads. What have the two railway companies been doing in respect to that? What advance has been made, and what can this Committee do to help the situation?

Sir HENRY THORNTON: We have had conversations with the Canadian Pacific, and we have prepared a policy—I have not been able to give it detailed personal consideration, but I have given it general personal attention, so has Mr. Beatty, both railways are now in a position—I do not know whether they have made direct representations to the provincial governments or not?

Mr. FAIRWEATHER: I do not know.

Sir HENRY THORNTON: At any rate we have agreed upon the representations which ought to be made to the provincial governments and also to the Federal Government with respect to the regulation to which Mr. Chaplin refers.

Secondly, we on the Canadian National have evolved a plan for dealing with the situation which we have now. It has taken some time to work it up because it is not easy to do, especially having regard to the fact that whatever we do we must necessarily avoid as far as possible capital expense, but we have developed what we think is a reasonable and effective solution of the problem, and that has been presented to the Canadian Pacific and is under discussion

between the operating officers of the two systems. I have no doubt that within the next week or so something will be decided upon. I cannot tell you what that is, I do not want to, I hope it will satisfy you to say that both the Canadian Pacific and ourselves are considering that plan with a great deal of interest.

Hon. Mr. EULER: Have your investigations led you to an opinion as to what is the radius of profitable operation of trucks?

Sir HENRY THORNTON: I should say roughly somewhere from 100 to 150 miles.

Hon. Mr. EULER: They run from Toronto to Montreal, right through.

Sir HENRY THORNTON: When you pass a radius of 150 miles the highway becomes at a disadvantage from a competitive point of view and the railway more advantageous. The longer the distance involved in the movement of a package of freight or a shipment, the better is the position of the railway.

Broadly speaking, the principle we have been working on is to use the railway where it is most effective and where it can compete most effectively, namely in long-distance movements, and supplement that with some form of collection and delivery. It is not our intention to go exclusively into the highway business. We want to use the highway in conjunction with the railway which we already possess, making the most out of that implement which we already have. Take the movement of freight between Montreal and Toronto, or beyond that, by way of example, on that with the plan we have in mind we can satisfactorily and effectively meet highway competition. But we cannot effectively meet highway competition for short distances, like 50 to 100 miles. And that is the character of business which is the most unremunerative that the railway handles.

Mr. MACMILLAN: Have you made a submission in this connection to the Royal Commission?

Sir HENRY THORNTON: Yes we have.

Hon. Mr. EULER: Would you say that the advancement being made by trucks in competition with the railways is now at its peak, or is it still increasing?

Sir HENRY THORNTON: I think it will continue to grow, unless the railways are able to check its growth by offering effective competition.

Hon. Mr. EULER: Has the growth been pretty steady and still continuing, or has it reached pretty near its maximum?

Sir HENRY THORNTON: Mr. Fairweather has been making a very intensive study of this whole situation. I think it might be illuminating if you heard his conclusions.

The CHAIRMAN: I have given some consideration to this question myself. I find that all the railways have done is with respect to small package freight and competitive points where there are truck routes they have cut their rates to meet that competition. That is practically the only positive thing that the express companies have done, that means the railways, of course. That has had a very good effect.

Sir HENRY THORNTON: I may add that I admit I do not think the railways have been sufficiently aggressive in recognizing the effect on their earnings of this highway transportation And while it is true that a certain period of time has got to be allowed for examination and exploration and determining what is to be done, we have got to the point now that the day for talking is over. We have got to get up and do something. That is exactly what I have been trying to bring about. For the last three or four years we have been talking and talking and investigating and investigating, and, quite frankly, gentlemen—this is only my personal opinion—the time has come that we have got to stop talking and

get to work, we have got to try something out and find out what is going to happen. Talking is not going to cure this, we have come to the point where we have got to act.

Mr. McGibbon: Can the railway successfully meet the highway rates for short hauls, for passengers and freight?

Sir Henry Thornton: In general I think not. I think we have got to make up our minds and recognize the fact that the highway has established itself as an efficient method of transportation for short distances.

Mr. McGibbon: If you got the business you would probably lose money on it?

Sir Henry Thornton: The short haul business is the least remunerative, for you will readily see that a shipment of freight does not commence to earn money for the carrier until it is on the road on its way to destination. The yard expense and freight-house expense is merely preparatory to putting that package of freight in the position of getting on its way. The longer the movement, the less the proportion of terminal expense to the total rate. That is the reason why long haul business, even at lower rates, is more profitable to the railways than short haul business. Let me say again that I think there is a certain amount of this short haul business, both freight and passenger, that has gone for good. But we must take steps, and take them soon, to prevent any further encroachment upon the revenues of the Company by the luring to the highways of this long haul traffic, which is our most remunerative traffic.

Hon. Mr. Euler: I would like to know from Mr. Fairweather whether the situation is becoming progressively worse, and to what extent? Would you anticipate that you are going to lose still more revenue by reason of this competition?

Mr. Fairweather: We have been doing our best to collect accurate statistics of the extent of motor-vehicle competition. It is a very difficult job, the most I can say is that, taking Canada as a whole, as near as I can estimate the inroads on our freight traffic arising from the competition of motor-vehicles amounts to $24,000,000 a year gross revenue. At the present time it is showing a tendency to increase at the rate of about 25 per cent per annum. That is, you take $24,000,000 this year, if the tendency is continued, it would be $32,000,000 next year. It is significant that even during the depression, certainly in 1931, the movement of freight by motor-vehicles increased.

But I would like to supplement what Sir Henry has said by a statement of the relationship between motor-vehicle cost, railway cost, and rates, because I think it has a very important bearing upon this subject. We had become accustomed to a monopoly in land transport by railway. Based upon that monopoly we built up a very complicated set or rates, which has a relationship in the long-haul traffic very closely to the actual cost of transport.

Hon. Mr. Euler: Is it not based on what the traffic will bear?

Mr. Fairweather: Well it is a very complicated subject, sir, but what I am getting at is, it must lie somewhere between the cost of service and what the traffic will bear.

Hon. Mr. Manion: Since you are discussing this subject so widely may I say I have been giving it a little thought, or rather reading. Is not this true, that after you get up to say 30 or 40 miles, in a general way the railway can beat the trucks economically?

Mr. Fairweather: I was coming to that, sir.

Hon. Mr. Manion: I think it would be worth telling this Committee of the experiment of the Pennsylvania in regard to Philadelphia and New York, which I think is very enlightening, in regard to the costs by railway and motor-truck. You know the one I mean?

Mr. FAIRWEATHER: Yes, of course that is a very specialized movement between very specialized points. But generally speaking the rate structure, which is very complicated, was built up behind a monopoly. If you take our average rate structure, it is quite obvious that of necessity there is a wide fluctuation of rates both ways from the average. The very low rates, which approximates basic cost of service, will be found in the long-haul traffic; the higher rates will be found on the medium and short-distance traffic. It is quite true what Sir Henry has said in regard to short-haul traffic, that, other things being equal, it is less remunerative than the long-haul traffic. But he was speaking more particularly of the less-than-car-load traffic. The car-load traffic would not in general fall into that category. And that is where we come to the crux of our problem, because the railways, acting behind their monopoly wall, have been fulfilling two economic functions; they have been acting as servant to carry goods, and the other is that they have been a creator of economic opportunity, and in doing that they have charged rates a good deal higher than the cost of service, but still a reasonable rate, and using that surplus to carry on transportation at bare cost elsewhere.

Now we come to a new facility, the truck. It has no such monopoly, it is a devil-take-the-hindmost sort of proposition. They find ready for them a field that is a perfect harvest, where the rates, as Dr. Manion has said, are above the cost of service. If you look at the thing from the point of view of cost of service alone, the truck becomes an uneconomic means of transporting freight beyond a radius of about 40 miles. Beyond that, if you look at transportation economics from a national standpoint, it costs this country money to truck on the highways. We are getting luxury service whenever goods are trucked beyond 40 miles. But for a range far beyond that, possibly upto 200 miles, the rate structure is such that on a ton-mile basis the truck can go in and compete. The cost of trucking under average conditions will be found to run somewhere about 7 cents a ton-mile as compared with one cent by railway.

The CHAIRMAN: Does that take in everything?

Mr. FAIRWEATHER: That would take in all costs under average favourable conditions as taxes are at present constituted.

Mr. MCGIBBON: But you would not say a truck can compete, having regard to the cost of the highway, for 200 miles?

Mr. FAIRWEATHER: No, sir, not from the point of view of basis economics. But suppose you have a haul of 100 miles and you have a rate on that of $8 a ton. The truck as at present operated, without paying adequate taxation and for the up-keep of the highway, could go in there and make a profit.

Mr. MCGIBBON: Without any consideration whatever for the highway?

Mr. FAIRWEATHER: Yes, other than what taxes he does pay.

The CHAIRMAN: Which are very small.

Mr. FAIRWEATHER: Well they vary, but they are not adequate.

Mr. MCGIBBON: But you are not taking into consideration any capital cost of the highway?

Mr. FAIRWEATHER: No sir, but what I am pointing out is that the competition is a false competition. But there is the field there for the truck, and the truck man cannot be blamed for going in and taking advantage of what he thinks is a commercial opportunity. But it is costing this country a lot of money.

Mr. MCGIBBON: You are just referring to the operating costs?

Mr. FAIRWEATHER: The 7 cents would represent under present conditions about what the average truck would cost.

Mr. MCGIBBON: But you are not taking into consideration the cost of the highways or the capitalization of the railways?

Mr. FAIRWEATHER: No, if you put that in it is a great deal more than that. But I am attempting to show that there is a case where there is an apparent commercial opportunity, under the conditions as they exist to-day. And motor trucks go in and develop it. In doing so they are costing this country money, and from the whole transportation point of view the danger is that if this medium haul car-load traffic is taken away from the railways, not only will it cost the country money on that score, but the revenues of the railways will have to be swelled by an increase in long-haul rates.

Hon. Mr. EULER: You mean they are costing money by reason of the fact that they are using the highways free of charge?

Mr. FAIRWEATHER: Practically speaking that is the case. When you look into this matter of highway competition you get some very startling figures. For instance the total cost of railway transport in this country, including the interest on funded debt, etc., is about $550,000,000 a year. How much do you think we are spending as a nation to-day on highway transport? We are spending over $900,000,000 a year. We are either spending in cash or committing ourselves in one form or another, in depreciation and interest charges on motor vehicles and things like that, interest charges on the highways, and so on, $900,000,000 a year, which is almost twice the total cost of railway transport in this country.

Mr. KENNEDY: I suppose these figures include market roads, etc?

Mr. FAIRWEATHER: The $900,000,000 yes, but market roads and things like that amount to a very small proportion of that total.

Mr. KENNEDY: Does that include passengers?

Mr. FAIRWEATHER: Yes, but when you divide it between freight and passengers, you find the cost of passenger vehicles on the highways runs about $750,000,000 a year.

Mr. MCGIBBON: Against that how much could you place as representing gasoline, taxes, etc?

Mr. FAIRWEATHER: I have all the figures right here. The revenue from motor vehicle taxation in Canada in 1930 amounted to $42,819,000. That covers registration fees and gasoline taxes.

It might be interesting to give the detail of that $945,000,000. The cost of the highways amounted to $103,000,000 a year. That is the economic cost of maintaining the highway system, for which we collected $42,800,000 in direct taxation, and $60,000,000 is just being forgotten about.

Mr. MCGIBBON: What about the gas tax?

Mr. BEAUBIEN: What does that cover?

Mr. FAIRWEATHER: We collect $20,000,000 in registration fees, and $22,000,000 in gas tax, making $42,800,000; but the total economic cost of the highway, to which that money is to be applied, amounts to over $100,000,000 a year.

Mr. EULER: What about the gas tax?

Mr. FAIRWEATHER: That is an economic figure and includes interest on the cost of highway.

Sir EUGENE FISET: I suppose you have not the figures by provinces?

Mr. FAIRWEATHER: Not here, but I have them in Montreal. Now, the cost of autos, the economic cost of autos amounts to $538,000,000 a year.

Mr. EULER: Is it fair to assume that that amount collected for gasolene tax and licence fees is not sufficient to pay for the maintenance of the highways?

Mr. MCGIBBON: Is it not fair to assume then as a fact that the amounts collected for gasolene tax and licence fees are not sufficient to pay the maintenance of those highways?

Mr. FAIRWEATHER: No, I do not think it. That is what I am saying.

Mr. MCGIBBON: That is often questioned.

Mr. FAIRWEATHER: Let me say this, that the $103,000,000 is made up in this way. There are $45,000,000 interest charges on the investment in the highways, you see. There is $21,000,000 a year depreciation on the highways, which is not being covered; that is $66,000,000. Now, the actual cost of maintenance is $37,000,000 a year.

Mr. EULER: Does not that maintenance cover depreciation?

Mr. FAIRWEATHER: No, it does not. Maintenance and depreciation together amount to about $58,000,000.

Mr. MCGIBBON: Is it not fair to say that the highways of the whole of the Dominion of Canada serve a much larger number of people than the railways do?

Mr. FAIRWEATHER: No, I do not think it is fair. I would not like to conceive of Canada or even the Ontario peninsula without railways. I do not think there is a single person in Canada who does not use the railways.

Mr. MCGIBBON: But they use the roads for greater purposes.

Mr. FAIRWEATHER: They use both.

Mr. EULER: You are speaking of everything.

Mr. FAIRWEATHER: This is the total highway cost of Canada, every improved road in Canada; but this is an economic picture of what it is costing this country for the highway system.

Mr. MCGIBBON: But that is not a fair picture.

Mr. FAIRWEATHER: It is perfectly fair. We have thousands of miles of development lines which we are carrying at a loss year by year, simply because settlement has not grown up along them. They are in exactly the same category as back country roads. Back country roads, of course, do not amount to a substantial amount in the total; they amount to a lot of mileage but not so much money. One mile of improved road would amount to as much as 15 or 20 miles of back country road.

Mr. MCGIBBON: Five hundred or a thousand people would use highways or roads where one would use the railway.

Hon. Mr. CHAPLIN: I think Mr. Fairweather's sizing up of what is going on in the country is not very accurate. The other day a friend of mine drove me to a station, not a month ago; he and his wife drove me over in his car. The lady saw your train coming in, and she said, I have not been on a railway car in eleven years. I have been to California, I have been to New Orleans, I go to Florida, I go to Muskoka, and I have been to Quebec, but I have not been on a railway train in eleven years. How many cases are there like that? I think it is well worth thinking about.

Sir HENRY THORNTON: I do not think anyone will set up the claim that highways are not very extensively used for both freight and passengers. What Mr. Fairweather has been exposing is what the cost of these highways means to the country. It may be all right, and it may be justifiable, but at the same time the figures which he has revealed to you represent what the highways of the country cost.

Hon. Mr. CHAPLIN: But let me say that my remarks arose from Mr. Fairweather's statement that everybody in this country was using the railways or was interested in them.

Hon. Mr. MANION: Is it not true, as Mr. Chaplin points out, that that is one of the main reasons why the railways are losing money?

Mr. MCGIBBON: The railways are the backbone of the country.

Mr. FAIRWEATHER: Yes. I simply meant that the railways form the backbone of this country, and if you took away the railways from Canada the country could not continue to function at all.

Mr. BEAUBIEN: Might we have the balance of Mr. Fairweather's figures?

Mr. DUFF: The particular lady spoken of by Mr. Chaplin, her gasoline came over the railway.

Sir HENRY THORNTON: I would like to say this, that in certain sections in Canada, especially in the winter, the railway represents the most effective means of transport, because our winters, which are very severe in certain parts of the country, force the railways into the picture as the only effective means of transportation. In that respect our low temperatures in the winter time are really an asset to the railways.

Hon. Mr. MANION: Mr. Chaplin and Dr. McGibbon and others have been pointing out the great use of the highways by motorists, which everybody admits. Is not that to a great extent the reason why passenger traffic, not only on the Canadian National but on all other railways, has been losing year by year.

Sir HENRY THORNTON: That is quite true, and I am sure you will agree on this, the delegations which come to see you in regard to matters relating to the railways, everyone of them comes in motor cars.

Hon. Mr. MANION: According to the figures given me last year and again this year the losses for all passenger services on the Canadian National were, in 1926, $4,000,000, the total loss on passenger traffic that year, which I take it was an operating loss; in 1931, last year, it had increased to $24,000,000, and I think a large proportion of that was due to the competition by motor cars and motor buses.

Mr. FAIRWEATHER: I have here the figures showing the way our transportation divides up between the railway and the highway. On passenger service, steam railways perform 17 per cent of the passenger service of the country; electric railway, 14 per cent; private automobiles, 68 per cent; and auto buses, 1 per cent. You will see there that motor vehicles carry 69 per cent of the passenger traffic, and the steam railways only 17 per cent.

In freight service, the steam railways carry 92 per cent, and the motor vehicles 8 per cent. These figures are for the year 1929.

Mr. MACMILLAN: Mr. Fairweather, what method do you use in arriving at these figures?

Mr. FAIRWEATHER: It is frankly an estimate. Of course the railway statistics we know. The motor vehicles statistics, so far as they relate to buses, were computed from a very careful check of all the bus operations in Canada. So far as they relate to private automobiles, they are based upon certain statistics furnished to us by the provinces.

Mr. MACMILLAN: They cannot be said to be very near?

Mr. FAIRWEATHER: I would say they are only merely representative. There might possibly be 5 or 6 per cent of error, but there could not be much more than that.

The CHAIRMAN: What you say is that they are not official but they are approximately correct?

Mr. FAIRWEATHER: Yes.

Mr. MCGIBBON: How could you estimate the number of trips made in a private automobile?

Mr. FAIRWEATHER: Of course it is based upon a series of checks. For instance, you take a certain highway, and we count all the automobiles passing by a certain point in a certain time, and how many people were in those auto-

mobiles. Then from that, correlated to the gasolene consumption, we work out an average figure which we check by applying it to another condition, and find out that it is fairly reasonable. It is a very common statistical method of dealing with things like that. The Dominion Bureau of Statistics uses that method continually.

The CHAIRMAN: We had better get on.

Mr. FAIRWEATHER: I have only a few more figures to put in to complete the information which was asked for. The cost of automobiles runs $538,000,000, and of trucks $275,000,000, buses $12,000,000 a year, and other motor vehicles $18,000,000 a year. That makes up the total.

Sir HENRY THORNTON: I do not want to be frivolous, but somebody asked something about the basis of freight rates. A distinguished jurist in the United States drew up this formula of freight rates. He said:—

> The first step in the study of a freight rate is the step to the lunatic asylum. If the shipper knows what he has to ship, and knows where it is going from and where he wants it to land, he takes it up with a rate expert of a railroad or traffic bureau. The rate expert throws dice to determine which page of the book he will look at. He adds all the figures on that page, multiplies the result by a bushel of corn, and subtracts a side of bacon, and tells the shipper to come back in half an hour. At the end of that time, the rate expert has received the latest opinion from the commission, and the rate is changed, and he has to begin all over again.

Mr. CANTLEY: Just before you leave this subject, I want to draw your attention to this sentence on page 7,—"Motor vehicle competition by private automobile, bus and motor truck has made serious inroads into the railway's traffic." I want to point out that in my opinion the railways in this country are largely responsible themselves for that competition. Most of us will remember that during the war years, from 1915, 1916 and 1917, we got very extravagant in regard to transporting all sorts of material by express which formerly went by freight and fast freight. Following that the railways made an application for an increase in express rates. You referred to that, Mr. Chairman, at the last meeting of this committee. That was strongly opposed, but the Railway Commission finally granted the increased rates. That was the beginning of motor traffic. You drove a large proportion of your express business into the hands of the motor people; and, not content with carrying express matter, they soon developed into carrying freight.

I hold that the railways of this country were mistaken in their policy at that time, and the result to which I have referred has followed. I do not know that there is much use of referring to that now, only this, that we may make corresponding mistakes now. For instance, we are taking off trains. Every train that we take off that is carrying passengers is simply giving more traffic to the motor buses, and we can overdo that, and in my opinion we are overdoing it to-day, in the proposals made now. You are proposing, for instance, in my section of the country to take off trains which have been on ever since the road was built in 1867, roads which the provinces built themselves and turned over to the railway.

I would like that the management would give some little consideration to that phase of the situation, because that traffic which you are displacing now, to a large extent, in my judgment, you will never get back.

Sir HENRY THORNTON: In answer to that, Colonel, we know what the earnings of every passenger train are. When it comes to a question of dealing with a situation of that sort, we obviously must cut off the unremunerative services, remembering however that communication facilities must be preserved with different sections, whether the services pay or not. For instance, you cannot

withdraw railway transportation entirely from a community. It would work great hardship and involve great distress. But the railway company and its management necessarily have to use their judgment and cut off, so far as may be, those services which are unremunerative and operated at a loss, and maintain those which are profitable, but at the same time have due regard for its public obligations. And that is a problem which is not always an easy one to determine.

Mr. CANTLEY: I quite agree with that. What I am asking you is that you take a broad view.

Mr. MCGIBBON: What is the difference in the cost between running an ordinary train, a locomotive, an express car and probably one or two baggage cars, and those oil burners where we have an engine and a coach combined?

Sir HENRY THORNTON: Do you mean a Deisel-electric?

Mr. MCGIBBON: I think they are oil burners.

Sir HENRY THORNTON: Do you mean what is the difference between the cost of running an engine burning oil and an engine burning coal?

Mr. MCGIBBON: No, the engine and the baggage and express car and the passenger car, and the car which is the engine and passenger car combined?

Sir HENRY THORNTON: You mean a self-propelled vehicle?

Mr. MCGIBBON: Yes. Could you not give the people possibly a combined service by running those oil burners, which are coach and all in one?

Sir HENRY THORNTON: That is a very interesting question, and also the discussion is illuminating. It must be five or six years ago that we started an investigation to see if we could find some form of self-propelled vehicle, such as you describe, which could be used on branch lines and on other parts of the railway where there was possibility of traffic with less cost than the full steam train. That investigation carried us abroad, and there were at that time gasoline propelled vehicles, electric vehicles, steam propelled vehicles, and a great variety of different sorts of self-propelled vehicles. We went on the hunt to see which was the cheapest and the best; and, as I say, that carried us abroad in the investigation of what was known as the Deisel-electric locomotive.

The result of our examination indicated that of all the self-propelled vehicles that we could find, the Deisel-electric was probably the most positive in character and, broadly speaking, the most economical in operation. Whereupon we built a certain number of these Deisel-electric locomotives; and incidentally, the engine was found at Beardmore's Works, near Glasgow. We found there an engine which was of the Deisel-electric type, which we thought with certain modifications would suit our needs in Canada. So we took that engine, and our experts developed it; and, to make a long story short, we built a number of these self-propelled vehicles, and economically they have turned out to be exceedingly satisfactory.

Have you the figures of those details? I would like you to tell the committee, if you can, just in a general way, what the result of that experiment was.

Mr. FAIRWEATHER: On December 31, 1931, we had 63 self-propelled cars,—

Sir HENRY THORNTON: Of the kind I have described.

Mr. FAIRWEATHER: With a total ledger value of $3,337,000. They were of various types. Of the Deisel-electrics there were eight of the four-cylinder Deisel-electrics, and they made 340,000 car miles, that is they ran 340,000 miles in a year. Then we have 18 six-cylinder cars, slightly bigger car, and they ran 761,000 miles in a year.

Mr. CANTLEY: Briefly, I would like the relative cost of the mileage between the steam locomotive and the Deisel locomotive.

Sir HENRY THORNTON: I cannot tell you offhand, but the Deisel-electrics are cheaper.

Mr. FAIRWEATHER: We had two of the eight-cylinder oil electric cars, and they made 88,000 miles in the year. I have full statistics with regard to the performance of each car here, and they have certainly gone a long way towards meeting the problem which Dr. McGibbon has raised.

Sir HENRY THORNTON: I want to take a short-cut to the answer to Dr. McGibbon's question. Speaking from memory, my recollection is that these Deisel-electric cars,—is Mr. Hungerford here? Do you remember what the performance was? My recollection is that they returned 6 per cent interest on the investment and something like 12 or 14 per cent in addition to that. Do you remember what the figures were?

Mr. HUNGERFORD: No, I do not.

Sir HENRY THORNTON: In any event, Dr. McGibbon, they turned out successful and extremely profitable, and they meet exactly what you have been talking about. There is not any doubt that the self-propelled vehicle of the Deisel-electric type, on branch lines, is extremely economical in passenger service and also in switching service.

Mr. EULER: What is your opinion in regard to storage battery cars?

Mr. FAIRWEATHER: We have six of those cars in operation now, and they made 116,000 miles in 1930; but the trouble with the storage battery car is simply that its usefulness is limited.—

Mr. CANTLEY: It is unreliable?

Mr. FAIRWEATHER: It is not so much reliability; its use is limited to the amount of energy which you can store in your battery; and it is of use only where you have facilities to charge your battery. I would not say it is not successful, but it has not been so satisfactory as the Deisel-electric, which you can use anywhere.

Mr. EULER: Would you say it was not successful?

Sir HENRY THORNTON: I would not like to say that.

Mr. BEAUBIEN: What would you call the fuel,—does it use gasoline?

Mr. FAIRWEATHER: It is fuel oil.

Mr. BEAUBIEN: How does that affect the consumption of coal?

Sir HENRY THORNTON: The less coal you burn as fuel, the less coal you buy. That is perfectly obvious.

Mr. BEAUBIEN: Where does the crude oil which you burn in those engines come from?

The CHAIRMAN: South America.

Sir HENRY THORNTON: Some comes from California, some from South America—from various sources where fuel oil is produced.

Mr. BEAUBIEN: I thought we were working on a Canada First policy.

Sir HENRY THORNTON: We are, and fuel oil is a bi-product of gasoline. If anybody can produce fuel oil in Canada, we will be tickled to use it, and we do use it.

Mr. BEAUBIEN: It is refined from crude oil, most of which is imported.

Mr. FAIRWEATHER: Yes.

Mr. FAIRWEATHER: It is refined from crude oil, most of which is imported.

The CHAIRMAN: Adverting to Col. Cantley's observation as to express traffic being particularly vulnerable to motor vehicle competition I would like to

say this, that unless the express companies reduce their rates to a parity with the motor vehicle rates they are not going to have any short haul business at all.

Mr. HEAPS: What is the difference in the rates between the railways and motor vehicles?

The CHAIRMAN: The motor vehicle rate is about half the normal express rate, but they have in the last season been putting into effect a cut rate, during this period of competition, equal to the motor vehicle rate. I do not know that that is generally known.

Hon. Mr. EULER: Has the National Railway, or have the two railways made up their minds as to any definite policy in regard to going into the truck transportation business themselves?

Sir HENRY THORNTON: Not yet. That is under active discussion.

The CHAIRMAN: I think it is the consensus of opinion of this Committee that the time for discussion is over. If they want to save the situation there is need for some action.

Sir HENRY THORNTON: That has been my opinion. I said not long ago that the time for talk is past and the time for action has arrived.

Mr. GRAY: Then may we say in answer to Mr. Chaplin's question that since last year the only progress we have made is that the Canadian Pacific and Canadian National have got together and are becoming agreed on rates? Is that all the progress we have made?

Mr. MACMILLAN: Sir Henry suggested that the Royal Commission was going into the whole question of transportation in Canada, and that Commission is sitting now. That is one of the reasons that suggestion was made, was for this Commission to try to bring out some solution of this problem.

Sir HENRY THORNTON: Mr. MacMillian is quite right. My hope was, and I still retain that hope, that the Commission in their report will make some definite recommendations, with respect particularly to what legislation should be enacted to reduce this highway competition to fair competition, and secondly, in view of the representations which the railway had made, would also make some definite recommendation as to what the railways should do. I think that Commission will make some very definite recommendations upon the subject.

Hon. Mr. EULER: One more question; I understand the railways have worked out some system of truck transportation, which they have not absolutely decided to put into force. But if you did decide to do so, could you give us approximately what capital expenditure would be required to put that into operation?

Sir HENRY THORNTON: The answer to that question is,—I am only giving now my personal views, because we are not all in accord in our own family, and there is still some discussion going on with the Canadian Pacific; the scheme I had in mind would involve no capital expenditure at all. Such trucks and devices as we did not possess we could secure on a rental basis, and annual rental which in turn would result in our owning the equipment after a period of five years. In other words I do not want to go into a direct capital expenditure until we had an opportunity to try this thing out. My own opinion is that it is the answer to the whole thing, except this very short haul stuff, up to 50 miles or so. What I am trying to do now is to bring others, more particularly our C.P.R. friends, to the same point of view, and secure co-operative action.

Hon. Mr. EULER: You would not want to go on a permanent rental basis would you?

Sir HENRY THORNTON: No, but I do not want to be involved in a capital expenditure until this thing has been tried out and we see exactly what is going to happen. My feeling is that we have talked enough, now for heaven's sake let us try something, the best thing we can hit upon, and find out if that contains

the answer. If we find it does, then we can go as far in regard to capital expenditure as circumstances and conditions permit.

In other words, we are like a man who thinks he needs a horse for his business, he is not sure. Instead of going out and buying a horse he rents a horse for two or three years to see what the horse will do. If at the expiration of that time the horse is satisfactory, he will go and buy some horses.

The CHAIRMAN: As a corollary to your proposition is it not also true that before you embark on any extensive proposition of motor vehicle transport you will have to go to the provincial jurisdictions and arrange restrictions and regulations and proper safe-guards for the traffic, as was indicated here to-day? It seems to me that is of fundamental importance as a preliminary to any large embarkation on motor vehicle traffic, because if the provinces will not co-operate with you, you are going to be left holding the bag.

Sir HENRY THORNTON: I think that is absolutely true, and I will supplement with this statement, that whatever the solution of this problem may be, the railways have got to have proper provincial legislation. No question about it.

Sir EUGENE FISET: Is it not a fact that the provinces of Quebec and Ontario will not take any action until the Royal Commission has made a report?

Sir HENRY THORNTON: I do not know.

The CHAIRMAN: Is it not also true, Sir Eugene, that the provinces have expressed themselves as being sympathetic, knowing as they do the value of the railways to the nation?

Sir EUGENE FISET: I am quite sure that in the Quebec legislature the statement was made last year that, before they would take any action or even approach the railways on the matter, the report of the Royal Commission investigating the whole railway situation in Canada will have to be received.

Sir HENRY THORNTON: I think, Sir Eugene, there is a growing public feeling that the situation merits and demands reasonable, fair, sympathetic legislation on the part of the provinces. That is my sense of public opinion generally. I may be wrong.

Hon. Mr. MANION: Is it not true that as far as you and the Canadian Pacific are concerned, your suggestions were that before you went into it on any large scale you would try it out in certain sections?

Sir HENRY THORNTON: Precisely.

Mr. GRAY: Are we here to initiate plans or make suggestions to the railway or are all the things under the Railway Commission and we are wasting a lot of time?

The CHAIRMAN: Well, the discussion has been very illuminating. It was bound to raise by reason of the reference made in the President's report. My personal view is that this Committee, when it come to make its report, should discuss among themselves this very problem, and make such recommendations to the railway in general terms looking to a solution of the problem. That is why I interjected this question of provincial jurisdiction. I invite the members to turn that over in their minds against the time when we come to make our report, as I think we should make some reference to that, irrespective of what the Royal Commission may do. We can only offer advice in any event, but it is a problem of transcendent importance to this country.

Now shall we proceed?

Mr. DUFF: Before you proceed, may I say that I was called out and did not hear all the discussion, but it seems to me that it is a very serious question for the railways if they are going to spend large sums on capital account to endeavour to compete with trucks in regard to freight or passengers. I suggest that before they do it they should give it careful consideration. For instance, in the first place they will be competing against themselves.

The CHAIRMAN: Sir Henry has dealt with that very point. His view is that they should give it a trial without any large capital expenditure.

Mr. DUFF: I do not know that they should give it any trial. It is going to cost the Canadian National a great deal of money. We are not so much interested perhaps in the C. P. R., but the capital expenditure is going to be a very large sum.

The CHAIRMAN: I am sorry you were not present when Sir Henry discussed that. If you will read the minutes to-morrow you will find that it will not involve much if any capital expenditure.

Mr. DUFF: Let me go a little further. I would say that if, instead of competing with themselves by putting trucks on the road, the railways would go to the customer and collect the freight and take it to the station and put it on the trains, and when it arrives at destination deliver it with trucks, that to my mind would get over a great deal of the trouble. It seems to me that the people of this country do not want any more capital expenditure as far as the C. N. R. is concerned than is absolutely necessary.

Sir HENRY THORNTON: Again I am sorry you were not here when this was discussed. That is exactly the principle we are working on.

Mr. DUFF: Do you do it now?

Sir HENRY THORNTON: No.

Mr. DUFF: Then mine is a new suggestion?

Sir HENRY THORNTON: Not altogether. It is new as far as you have stated it, but the principle we have been working on is to combine with the railway services, as you have outlined, collection and delivery service.

Mr. DUFF: That is a good idea; I think that will cover it to a large extent.

Hon. Mr. EULER: Have the railway authorities made any investigation as to what is done in other countries, say Great Britain?

Sir HENRY THORNTON: Yes.

Hon. Mr. EULER: Have the railways there dealt with the situation by going into the truck business?

Sir HENRY THORNTON: We have complete information in regard to what is done on the North American continent and elsewhere.

Mr. MACMILLAN: Could you have a brief prepared in that connection for the information of the Committee? I do not mean a lengthy brief.

Mr. KENNEDY: Has any study been made by way of estimating what the effect of building the St. Lawrence canals will have on the railways?

The CHAIRMAN: That is a pretty wide problem.

Mr. DUFF: It is a second Hudson's Bay proposition.

Sir HENRY THORNTON: We have made no examination of that. It will either be built or it will not, and if it is built we will have to take our medicine, whatever it may be.

The CHAIRMAN: Apropos of Mr. Duff's suggestion I would like to throw out this, that if they do go into this proposition of collection and delivery of freight from the customer they see to it that the cost of that service is not anything like as high as the cost of the present service by the express companies, because the charge at present by the express companies is killing the service. People will not pay it.

Sir HENRY THORNTON: The railways cannot compete with the highways unless they offer service which is commensurate in price and equivalent in facility. You must have those two things. We have got to offer a service which is commensurate in price and at the same time is so satisfactory by comparison that the shipper will use it. You cannot compete on any other basis, and there is no use trying.

Mr. DUFF: In the past you have done that, you have driven every coastal boat off the coast of Nova Scotia to get business for the railway, and the minute you get them off you raise the railway rates.

Sir HENRY THORNTON: I am afraid I will have to ask you to elaborate that question before I can answer it.

The CHAIRMAN: That is the result of railway operation in the Maritime Provinces. We used to have on the river St. John a first-class line of express boats. Now we have one little boat going up one day and down the next. That is an evolution of the times; I am afraid we cannot kick against it.

Mr. DUFF: Well the same thing should apply to the trucks. Drive them out.

The CHAIRMAN: How shall we proceed?

Mr. FAIRWEATHER (reading from page 6 of the Annual Report):

> Operations of the present consolidated Canadian National System began on January 1, 1923, and with the object of furnishing a basis for a clear understanding of what has happened since that date the cash receipts and expenditures, excluding non-cash book-keeping transactions, largely applicable to prior periods, may be summarized as follows:—

RECEIPTS

	Jan. 1, 1923 Dec. 31, 1931
Net system earnings before appropriations and interest on funded debt	$254,437,554 54
Increase in long-term funded debt, less discount and refunding	457,564,286 36
Loans from the Dominion of Canada	97,460,270 35
Short term loans	35,008,250 94
Appropriations from public funds for capital expenditures on Canadian Government railways	5,729,298 44
Reduction in cash and working capital	16,853,136 06
	$867,052,796 69

EXPENDITURES

Interest charges on long-term funded debt held by the public	$386,537,381 35
Net additional capital expenditures	419,669,620 64
Investment in affiliated companies	36,675,835 08
Investment in sinking and insurance funds	24,169,059 62
	$867,052,796 69

The CHAIRMAN: I suggest that we stop the reading of this now; this is a convenient place. Shall we consider the first two pages and questions arising out of them? We have dealt in a degree with the vehicle problem. What is the wish of the Committee?

Take the question of operating revenues, it is an astonishing figure that is presented, a loss of $45,000,000 in operating revenue as compared with the preceding year, and the preceding year was bad enough. It is only by giving intensive consideration to these figures and what they mean that the people of this country will realize what the railway problem of the country is.

Mr. McGIBBON: I take it this statement does not include the Eastern Lines, what has been lost on the Eastern Lines?

The CHAIRMAN: Figures for the Eastern Lines will be found at Page 33.

Mr. FAIRWEATHER: The net revenue deficit in 1931 amounted to $6,393,562.

Mr. McGIBBON: Can we have them for the same period?

Mr. McLAREN: The book deficit from July 1, 1927, to December 31, 1931, is $29,680,000, and cash deficit $26,269,000 difference is interest due Govt. of $2,818,000 and other non-cash items of $591,000.

Mr. McGIBBON: What would be the comparative figure for Eastern Lines for the same period?

Mr. McLAREN: We have no comparative figures.

The CHAIRMAN: Dr. McGibbon was predicating his question on the assumption that that did not include the Eastern Lines. That is made clear, that this consolidated statement is for the whole system.

Mr. McGIBBON: I understood Mr. Fairweather to say it did not.

Mr. McLAREN: On page 28 you will see the details making up the information that is on page 6. It does not include Eastern Lines from July 1, 1927, nor does it include interest due the Government.

The CHAIRMAN: It does not include it from the time of the passing of the Maritime Freight Rates Act?

Mr. McLAREN: No it does not.

The CHAIRMAN: So that both statements are partially true; it does include the whole for a period, and subsequently it does not.

I do not know what object my friend Dr. McGibbon had in referring to this question of the Eastern Lines, but once more I must protest against the setting up of this system of keeping these accounts separately with respect to deficits arising out of the Eastern Lines. We have just as much right to be included in the whole system as any other part of the National Railways. The people of Eastern Canada, particularly the Maritime Provinces, will never cease to protest against this, because it puts us in an unfavourable position. Furthermore we do protest against the Atlantic region being cut off at Levis, it should go as we originally asked to the City of Montreal. Then I believe the picture would be entirely different. I want to know if I am not voicing the opinion of the Maritime Provinces here today.

Hon. Mr. EULER: How much would that deficit on the Eastern Lines be increased if you included the amount that goes out of the public treasury under the Maritime Freight Rates Act?

The CHAIRMAN: They lump them altogether in the estimates. I protest against that too.

Mr. BEAUBIEN: Don't you get it back in low rates?

The CHAIRMAN: I will say that no part of the country gets as low rates as you do in the Crow's Nest rates in the West. And they are fastened on this country for all time.

Mr. BEAUBIEN: How about Ontario?

Mr. BEAUBIEN: Don't you get it back in low rates?

Hon. Mr. EULER: I would like to know how much we have paid under that Maritime Freight Rates Act.

Mr. BEAUBIEN: Let me tell you that the traffic in Western Canada is much more remunerative than the traffic from the Maritime Provinces.

The CHAIRMAN: I would have to get it from another source before I should believe it.

Hon Mr. EULER: Could Mr. Fairweather give me this information; since the operation of the Maritime Freight Rates Act how much money has gone out of the general treasury of Canada to pay for the reduced rates?

Mr. FAIRWEATHER: Do you refer now only to the Canadian National? You see similar contributions are made to the Canadian Pacific.

Hon. Mr. EULER: Give us both if you can.

Mr. FAIRWEATHER: Your question now relates purely to the Canadian National.

Hon. Mr. EULER: All right, give us that.

Mr. MCLAREN: $9,768,000.

Hon. Mr. EULER: Within how many years?

The CHAIRMAN: Four years.

Mr. MCLAREN: July 1, 1927, to December 31, 1931.

Hon. Mr. EULER: Can you get it for the C.P.R.?

The CHAIRMAN: It is relatively smaller.

Hon. Mr. EULER: Over $9,000,000 since the inauguration of that Act for the National.

The CHAIRMAN: Now I would like you to know, based on the evidence given the Special Committee in the Crow's Nest Pass matter in this House in 1922, how much the railways have lost by the application of those rates since 1922, $30,000,000 a year. I can refer you to Mr. Lannigan's evidence. I am fighting for a position, I want to maintain it.

Mr. DUFF: I thought this was a national committee, not a sectional one.

The CHAIRMAN: That is all right, but I object to the setting up of this system. I am not saying who is responsible.

Mr. BEAUBIEN: If you look at the revenues and net revenues of the railway companies during certain months of the year, you will find that during the crop movement months in Western Canada that is where the railways get the greater per cent of their net revenue.

The CHAIRMAN: I could answer that very easily, but I will not continue the discussion, I have made my point..

An hon. MEMBER: You will see Ontario pays the bill.

The CHAIRMAN: I agree that Ontario pays the bill. And they get compensation, make no mistake.

Mr. DUFF: And we pay it in other ways.

Hon. Mr. MANION: It should be understood by the Committee that the reason the figures are set up in this way is that the Maritime Freight Rates Act said it should be.

The CHAIRMAN: But we protest against that.

Sir HENRY THORNTON: I think we changed the method a couple of times to try to meet the wishes of those who expressed views, but apparently we have signally failed.

The CHAIRMAN: Of course, as long as the legislation is there, it must be obeyed, I suppose.

Mr. DUFF: Did I understand the deficit last year was $393,000. Is that after crediting this $2,000,000 received from the Treasury?

Mr. FAIRWEATHER: Yes. The contribution under the Maritime Freight Rates Act is included as part of the freight revenue.

Hon. Mr. EULER: But the country loses that extra $2,000,000 a year.

Mr. DUFF: Mr. Chairman, that is not so bad. There are three Maritime Provinces, and this applies also to the most important part of Quebec. If you

divide that on a percentage basis, you will find that we have not lost as much in the Maritime Provinces as the rest of Canada.

The CHAIRMAN: I would think that is true, that relatively the cost to the country of the Eastern Lines has not been as great as the other parts of the country.

Mr. BEAUBIEN: Where is it lost in the West?

The CHAIRMAN: Everywhere. $24,000,000 in passenger service alone last year.

Hon. Mr. MANION: I do not wish to get into this argument, because I am in between, but to keep the record clear I would like it explained by the officers that when Mr. Duff says that the loss, if it were spread out over the whole of Canada, it would be less than in some other parts of Canada, or on an equal basis. Is there an operating loss on the rest of the system?

Sir HENRY THORNTON: What do you mean by an operating loss, the difference between revenue and expenses?

Hon. Mr. MANION: Yes, this is an operating loss, I take it, isn't it?

Sir HENRY THORNTON: From what period?

Hon. Mr. MANION: I am speaking of the year 1931. There shows an operating loss, a net revenue deficit, which I take it is an operating loss, of $6,393,562.

Sir HENRY THORNTON: Yes. On the rest of the system, as seen on page 6, the difference between revenue and expenses was about 7½ million. That is the net earnings of the rest of the system were 7½ million. In other words, in 1931 the revenues exceeded the expenses by 7½ million.

Hon. Mr. EULER: Whereas in the Eastern Division the expenditure exceeded the revenue by 6 million.

Sir HENRY THORNTON: After all this whole question is involved in the question of freight rates.

Mr. DUFF: I want to be fair to Ontario.

Mr. BEAUBIEN: Is it not the fact that the loss on the Eastern Lines is equal to the surplus on the rest of the lines?

Sir HENRY THORNTON: Roughly. There is a difference of about 1½ million. But this whole question is really involved in the question of freight rates.

Mr. DUFF: And Confederation.

Sir HENRY THORNTON: I am not going into an argument about whether our freight rates are too high or too low. There may be good justification for the scale of freight rates that we have in Canada. But I would like to point out without prejudicing the argument whatever, that had we in Canada had the same scale of freight and passenger rates as exists in the United States, the Canadian National from January 1, 1923, to date, even including the years of depression, would have met all of the interest on the funded debt in the hands of the public, with a surplus of twenty odd million dollars.

The CHAIRMAN: That is assuming you had the same traffic.

Sir HENRY THORNTON: Just taking it as it is, that is exactly what would have happened. I am not advancing that as an argument for lower or higher freight rates, but I do say that this whole question is necessarily a function of and involved in your scale of freight rates.

Hon. Mr. MANION: Both you and Mr. Beatty, I think, have claimed to me that freight rates in Canada are the lowest freight rates in the world, taking them by and large. Am I right?

Sir HENRY THORNTON: You are right. Now there may be good reason for it, it may be necessary, because after all you have to take this into con-

sideration, and it is only fair to state both sides of the picture; a large percentage of the total volume of traffic moved by the railways of Canada originates in the interior of the country, that is to say largely the grain traffic. That originates in the interior of the country and it must be moved an average of 2,000 miles to tide-water, whether to Vancouver or some Eastern port. On the other hand, if you take the Argentine grain, that is probably moved on the average not to exceed about 300 miles to tide-water. That may be a reason why we have got to have lower freight rates than a country like the Argentine, to market our grain in the markets of the world. And our freight rate situation may be a question of geography. On the other hand I make this simple statement, that if we had a higher scale of freight rates, such as I have described in the United States, our financial picture would be very different.

Mr. DUFF: Sir Henry, have you any information as to what the picture is with regard to the C.P.R. business on their Eastern Lines, from Montreal to Saint John, as compared with the business done by the C.N.R., loss or profit?

Sir HENRY THORNTON: No, I have not.

Mr. DUFF: Could you say that they also met with a loss on their Eastern Lines?

The CHAIRMAN: They always contend that they do. On the other hand I have had operating officers of the Canadian Pacific tell me it is the way they keep their books, that they charge up things, load into the cost of operation things that should not be in at all. I have been told the same thing by officers of the Canadian National with respect to the Atlantic region, that they load into the cost of operation things that should not be loaded onto us at all, told to me by responsible officers, I am not going to name them, they might get into trouble.

Sir HENRY THORNTON: You can rest assured no one on this railroad would get into trouble for trying to tell the truth. But I would like to say this, that to the best of our knowledge and belief, as honestly as we can, we make up our accounts. You, or any one, may differ about the way they are made up, but I would like to make it clear that as honestly as we know how we are trying to prepare these accounts.

Hon. Mr. MANION: George A. Touche & Co. are the auditors. I have heard that statement made before, and to try to get the truth, because I have no desire that the Maritimes should be unjustly treated, I had Mr. Matthews, the representative of Touche & Co., who does the auditing for the shareholders of the Canadian National, including Eastern Lines, and I asked him distinctly if there was any truth in that statement that the C.N.R. charged anything to the Eastern Lines in any unfair manner, and he absolutely adhered to the claim on two or three occasions with me that there was no discrimination in any shape, manner, or form. He said the charges were made up fairly and squarely as regards each part of the system.

The CHAIRMAN: For instance take the car ferry between Prince Edward Island and the mainland, is that charged to operating expense?

Mr. MCLAREN: Yes.

The CHAIRMAN: I think that is a very unfair charge, to charge it to Eastern Lines. That is a line of communication between one province and another, it is part and parcel of the Confederation Pact. That should not be loaded on the Eastern Line charges at all.

Hon. Mr. MANION: That may be, but I am speaking of the general railway charges. That is not the usual claim, the usual claim as I have heard it made in this committee at different times, just as you made it a few moments ago, is

that there are charges put in, not specifying the ferry. I do not know the results on the ferry especially.

The CHAIRMAN: Everyone knows that the operation of the car ferry to the Island is a very expensive operation. The capital charges are high, they have two boats, and the cost of maintaining that link is exceedingly high.

Hon. Mr. MANION: There may be justification for that view, but I was speaking of the railway charges distinctly, and they claim that there is no excess charge against the Maritime Provinces.

Mr. DUFF: You should include part of Quebec, do not just say the Maritime Provinces.

Hon. Mr. MANION: Well they start at Levis and Diamond Junction.

Sir EUGENE FISET: And it happens that the only part of that line to-day that pays is the part between Levis and Moncton. That is the return I got last year.

The CHAIRMAN: On this question of Eastern Lines, I would like to ask Mr. Fairweather what part of this net revenue deficit is attributable to the policy of acquiring branch lines in Quebec and the Maritime Provinces within the last ten years. Because they have taken over some very unprofitable branch lines. I instance the Gaspe railway.

Sir HENRY THORNTON: I do not see how we can separate that out.

The CHAIRMAN: Do you keep any record of the costs of operation and receipts of the Gaspe Railway?

Mr. FAIRWEATHER: Not in such form that your question can be answered. We certainly keep record of receipts and expenses.

The CHAIRMAN: Loaded into that deficit is the loss on operation of all the broken down branch lines ever built in the Maritime Provinces and Eastern Quebec, and all including the old Canada Eastern Branch from Fredericton to Newcastle were taken over for political purposes. That line was taken over just previous to the election of 1904.

Mr. DUFF: I would not say for political purposes, I would say in the interest of the public, because everyone gets the benefit.

The CHAIRMAN: I say for political purposes: that is my considered opinion anyway. And they are all losing money. The management is trying to cut down operations, and I don't blame them.

Mr. DUFF: Of course this whole thing was brought into being for political purposes in 1918, if you want to argue that way.

Mr. CANTLEY: There is another factor; when the Intercolonial was managed entirely from Moncton, the cost of management was much less than it is to-day. Is not that a fact?

The CHAIRMAN: Mr. Price used to run the whole road himself, and he never had a salary exceeding $7,000 a year.

Mr. MCGIBBON: The Gaspe railway was taken over why?

Hon. Mr. CHAPLIN: There was only 50 per cent of the amount of the bonds paid for it.

Sir HENRY THORNTON: In regard to taking over the Gaspe Railway, we had been importuned by the people down there, I remember very well receiving a delegation of the people from that part of the country, their complaint was that the service was so unsatisfactory that the development of the Gaspe Peninsula was being interfered with and throttled. I discussed the matter with the Government, as naturally I would a question of that sort, and finally the discussion led to my being authorized to enter into negotiations with the bondholders. At the same time there came up the question as to what was to be

done with various odds and ends of railways about Canada. My own point of view was that, if in the interest of the State or any particular section, the Canadian National Railway was obliged to take over unproductive properties, that was a burden which should not rest upon the management, it should be accepted by the Government, seeing the Government presumably was doing it for reasons of State and public policy. That was one of the things that was discussed. However, I was authorized to enter into negotiations with the bondholders, and finally they agreed to sell the Gaspe Railway for, as I recall, something that represented 50 cents on the dollar of the money put into the property.

The CHAIRMAN: Well 50 per cent of what they asked for.

Sir HENRY THORNTON: Oh they asked for the kitchen stove, for that matter! They asked for everything.

Mr. MCGIBBON: You told us at the other session that the first suggestion came from the Government.

Sir HENRY THORNTON: No, I am going back a good many years, but my recollection is that this started with a movement on the part of the people living in the Gaspe Peninsula, who were so dissatisfied with the service and maintenance of those railways that they felt they should be taken over by the Canadian National.

The CHAIRMAN: My recollection is that you stated in this Committee, perhaps not last year but in previous years, that you had consistently refused to purchase the Gaspe Railway as part of the Canadian National system.

Sir HENRY THORNTON: I do not recall that definite statement, but I did not particularly want them. Mr. Chaplin is quite right when he says that they are not a productive railway; they are not.

Mr. DUFF: Is not that true about practically all the lines that you had to take over when you came, that were taken over by the Government? For instance the Canadian Northern is one for which the country was liable for hundreds of millions of dollars. I do not see any reason to talk about the Government taking over.

Sir HENRY THORNTON: It is common knowledge that considerable pressure has been put upon us. The Pacific Great Eastern has been painted in alluring figures, we have been asked time and time again to take that property over.

Hon. Mr. MANION: By the British Columbia Government, not this Government.

Sir HENRY THORNTON: No I do not say that.

Mr. BEAUBIEN: Before the Canadian National was formed, all the deficits on the Intercolonial for years were charged to the Canadian Government.

The CHAIRMAN: No, there were many years when the Canadian Government Railway system under Mr. Pottinger paid its way, notwithstanding that the Minister of the day used to make freight rates himself in his office here in the West Block.

Mr. BEAUBIEN: I understood that on the old Intercolonial nearly everyone in the Maritime Provinces travelled on a pass.

The CHAIRMAN: That is what Mr. Dunning said, but it didn't happen to be true.

Mr. CANTLEY: The Intercolonial Railway showed a profit over cost of operation in ten years out of twenty.

The Committee adjourned to the call of the Chair.

HOUSE OF COMMONS, ROOM 231,

APRIL 26, 1932.

The Select Standing Committee on Railways and Shipping met at 11 a.m., Mr. Hanson presiding.

The CHAIRMAN: I understand that the department are rather anxious to have this Bill 34 passed and reported,—this is a Bill respecting the Canadian National Railways and to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1932,—so that the guaranteeing Act may be passed or introduced to the House on this Bill being reported by this committee.

If it is agreeable, this would be the first order of business. I understand the railway needs the money. Shall we proceed then, with the reservation always that anything that might properly arise under this Bill may be discussed at any later stage in the committee? If that is agreeable to the committee, we might proceed then with the consideration of Bill 34, which I will now read.

Section 1:

> This Act may be cited as Canadian National Railways Financing Act, 1932.

I understand that this is the same practice as was adopted last year. Shall section No. 1 carry?

Carried.

Section No. 2,—Power to borrow,—

Sir EUGENE FISET: Mr. Chairman, may I ask if you are examining the provisions of the Bill? Are we examining the expenses provided for in this Bill, or the money in this Bill?

Hon. Mr. MANION: You have not examined it, but, as the Chairman says, it will be open.

Sir EUGENE FISET: Is the money already spent or is it incurred? In other words, you asked us to authorize the government to provide $10,000,000 at the last meeting, and that was for repayment of an expenditure already made. I think the capital expenditures covered by this Bill are expenses already incurred?

Hon. Mr. MANION: It is not for last year, but it is for the year from January to December, 1932. Part of this money would be expended, but not paid; and it is for that reason they want to get this Bill through so that they may get the money.

Sir EUGENE FISET: Last year we agreed that the expenses were already incurred and it was to cover payment of expenditures already made that we were asked for authorization. I suppose the same thing occurs this year?

Hon. Mr. MANION: I do not follow you. This Bill is not for expenses already incurred, except from January 1st to the present date.

The CHAIRMAN: Have you observed the explanatory note on the opposite page:

> The object of this Bill is to authorize the Canadian National Railway Company to issue securities to the extent of $61,500,000 for the purpose during the year 1932 of financing where amounts available from net operating income or investments may be insufficient.

This is to take care of the estimated deficit for 1932, and under that discussion may be had on any item relevant to that page of the question.

Hon. Mr. MANION: May I say it is the same as least year, excepting that last year we put it through as a Bill, and previous to that it was put through as an estimate. That is the only difference.

The CHAIRMAN: Do you want me to read Section 2?

Mr. MACMILLAN: No, it is too long. Carried.

The CHAIRMAN: Carried.

Section 3:

> The Company may, subject to the approval of the Governor in Council, from time to time approve or decide:
>
> (*a*) The kind of securities to be issued and the form and terms thereof;
>
> (*b*) The currency or currencies in which any issue or parts thereof may be made;
>
> (*c*) The times, manner and amount of the issue or issues;
>
> (*d*) The terms and conditions of any sale, pledge or other disposition of the securities.
>
> (*e*) The securing, if deemed desirable, of the securities by mortgage, deed of trust or other instrument and the manner thereof, and the form and terms of any such indenture and the trustee or trustees thereof;
>
> (*f*) The manner, terms and conditions of any temporary financing and the expediency thereof and the form and terms of temporary securities.

Mr. CANTLEY: Carried.

The CHAIRMAN: There ought to be a little explanation. It should be noted that the $42,784,610.13 is a deficit; that the $11,681,651.87 in (*b*) are to take care of sinking fund and other maturing obligations—that is refunding, is it? Then clause (*c*) provides for construction and betterments, including co-ordinations, acquisition of real or personal property, and working capital, not exceeding $7,033,738.

Section 3 provides for approval by the Governor in Council.
Carried.

Section 4, competitive bids:

> (1) The Company shall adopt the principal of competitive bids or tenders in respect of any sale of the securities, but, subject to the provisions of paragraph (*d*) of section three of this Act, shall not be bound to accept either the highest or lowest or any bid or tender made or obtained, not be precluded from negotiating for better prices or terms.
>
> (2) This section shall not apply to temporary financing in whole or in part by way of pledge or otherwise of the securities either in permanent or temporary form, where the Governor in Council approves such temporary financing and the terms thereof.

Carried.

Section 5, Refunding of temporary loans. Shall this section carry?
Carried.

Mr. MACMILLAN: Mr. Chairman, just a moment. Section 4, as to competitive bids. I suppose that is always the practice?

The CHAIRMAN: Of course that is in the public interests as well as of the railway.

Hon. Mr. MANION: Has it always been on a competitive basis?

Sir HENRY THORNTON: Perhaps there should be some little explanation given to Mr. MacMillan in that respect. If my memory serves me, up to four or five years ago, or something like that, it was the practice of the company

to negotiate the best terms for its securities that it could obtain, without specifically or directly asking for competitive bids. It more or less came down to that in the last analysis, but it was not the practice, as I recall it, through the period I have mentioned to actually send out formal requests for competitive bids; but some five years ago—do you remember when that was?

Mr. Cooper: At the end, four years ago.

Sir Henry Thornton: Four years ago we started definitely to ask for competitive bids. That is, particulars of the loan and everything were sent to competitive bidders, large banking houses and large financial interests, and they made their bids. The bids were opened in the presence of the vice-president of Finance and other officers of the company, and a recommendation was sent in usually to the Government that the issue of the loan be awarded to the lowest bidder. That was not specially put up to the Government in the form of a formal request for approval, but simply to acquaint them with what could be done.

Mr. MacMillan: Do you mean lowest or highest bidder?

Sir Henry Thornton: In every case that I can recall the highest bidder was awarded the issue.

Now, sometimes after the tenders were in they were found to be unsatisfactory. That is, it was thought that perhaps with further negotiations higher bids could be obtained, and in some cases—not very frequently, that was done. But the statement is correct that for the last four years bids have been asked for formally from banking houses, financial insitutions and financial groups, and with the consent of the Finance Department the issue was awarded to the most favourable bidder. Does that make it clear, Mr. MacMillan?

Mr. MacMillan: Yes. Carried.

The Chairman: Does the company exercise its own judgment or does it take the advice of its bankers?

Sir Henry Thornton: We have not any what you would call bankers, in the sense that they are considered bankers by a good many railway systems. I think most of the railway systems on the North American continent have certain bankers with whom they transact exclusively their banking business, and who exclusively look after the issuance of securities for them, just as an individual may have one tailor and always go to that tailor; and there has been a good deal of discussion as to which is the more advantageous method of handling the issuance of securities; and there are two schools of thought. One is that if you select a responsible, strong and capable banking house, and always do your banking business through that house, in times of difficulty and financial distress you are always able to count upon their support and assistance in getting more favourable terms than if at that time you went out for competitive bids, because the banking house, like the tailor, doctor, lawyer or anybody else, wishes to retain his client, and therefore puts forth every effort to satisfy the client.

The other school of thought is that these bids of all nature should be made competitive, and that no railway company should leave those exclusively in the hands of any one banking house, be it ever so capable or ever so strong.

With respect to a publicly owned enterprise, the general feeling is that competitive bids should be asked.

Those are the two schools of thought, and that is the way the thing is generally done; and, as far as we are concerned, for the last four years we have preceeded upon the doctrine of competitive bids.

Mr. MacMillan: Sir Henry, how do you account for the fact that your securities do not sell as well as government securities?

Sir Henry Thornton: Theoretically, Mr. MacMillan, I do not think there is any reason why they should not. The bonds of the Canadian National

Railways have the Government guarantee and in theory they become a Government loan; but what you say is true, our securities do not sell on as high a basis as the Dominion of Canada bonds; and, as I have said, I do not see any theoretical or practical reason why there should be any difference; but all the same there is. Whether it is that the investing public draws some sort of unjustifiable difference between our securities guaranteed by the Dominion Government and the Dominion of Canada securities, which are guaranteed by that Government, I do not know.

I have often been asked that question before, and I have never been able to quite satisfactorily answer it in my own mind. I have asked bankers, and they have said that sometimes it is a little difficult to make the ordinary investor understand that the Dominion Government stands back of the securities and that in effect the securities are a Dominion issue.

Mr. HEAPS: Mr. Chairman, what is the difference between the selling price of Canadian National securities, issued by them and guaranteed by the Government, and securities issued directly by the Dominion Government? What is the disability in the matter of price?

The CHAIRMAN: Can you answer, Sir Henry?

Sir HENRY THORNTON: Mr. Heaps asks, What is the difference between the sale price of Canadian National securities, issued by the Canadian National and guaranteed by the government, and securities issued directly by the Dominion government? In other words, under what disability in the matter of price are we? Is that your question?

Mr. HEAPS: Yes.

Sir HENRY THORNTON: Mr. Heaps asks what that difference is, put in general terms. Do any of you know?

Mr. COOPER: There was an answer given in last year's committee.

Sir HENRY THORNTON: If you remember it, will you speak up and tell Mr. Heaps what the answer is.

Mr. COOPER: In last year's committee that same question was asked and the answer was given, and I would like to look it up and give you the exact figure, rather than speak from memory.

Sir HENRY THORNTON: It is not a great deal of difference, Mr. Heaps. Just speaking from memory, I think perhaps it is a quarter of a point.

Sir EUGENE FISET: One-tenth of one per cent?

Sir HENRY THORNTON: I think it is more than that.

The CHAIRMAN: Is not this the truth, that it is an arbitrary set-up by the banking houses themselves?

Sir HENRY THORNTON: I do not think so. It fluctuates.

Mr. MACMILLAN: Is it not because bondholders would have a little more uneasiness in seeking redress, and there may be some difficulty in the public mind?

Sir HENRY THORNTON: I think that may be the answer.

Mr. MCLAREN: My recollection is that one-tenth of one per cent was the difference.

Hon. Mr. MANION: Is it not a fact that the people would rather take a direct security than a guaranteed security?

Sir HENRY THORNTON: I think that is the answer.

Mr. BELL: Besides the Dominion Government guaranteeing the security, what other security have the bondholders or note-holders? Is the rolling stock of the railway pledged?

The CHAIRMAN: They are debentures—promises to pay.

Sir HENRY THORNTON: These bonds are promissory notes guaranteed by the Dominion Government. That is what they actually are.

The CHAIRMAN: They are not secured debentures in the sense that they are secured by mortgages or trustees or anything of that sort. That may be true; and, excepting as to equipment trust certificates, which are secured by pledges; but ordinarily they are not guaranteed. Just at present they cannot sell securities of that class.

Ordinarily, Mr. Bell, the Government stands back of the loan. Ordinarily you borrow money and put up the security for the loan. In the event of the failure of the company to meet its obligation, the borrower would foreclose on that security. Each car, whether the passenger or freight or whatever it may be, is the property really of the trustee under that trust, until the loan has been paid back. In other words, the borrower could foreclose on the equipment representing the loan. Do I make that clear?

Mr. BELL: Yes, I am clear on that point. Of course I was not speaking of the minor issues but of the major issues; but that leads to another point. Supposing you have an issue of $61,000,000 and then you go out to buy new equipment. As you say, you have paid out 25 per cent cash; then your obligation would go over perhaps to a greater amount?

Sir HENRY THORNTON: No, the balance also is amortized; the capital is amortized within the life of the loan.

The CHAIRMAN: That is the theory.

Mr. BELL: If you asked for a loan to-day, when the money is advanced by the Government, do you go out and buy equipment over and above the point mentioned, 25 per cent, say, on the box cars, locomotives or anything, and do you obligate yourselves to a much greater amount?

Sir HENRY THORNTON: I do not know that I follow that. Of course we are obligated for the balance of 75 per cent of the loan, as the chairman points out, and the collateral representing that 75 per cent is the rolling stock involved.

Mr. BELL: I am sorry I have not made myself clear.

Sir HENRY THORNTON: Perhaps I am a little stupid.

Mr. BELL: You ask to-day for a certain amount to complete obligations of the Canadian National Railways, and you buy more rolling stock with the moneys that are advanced; you go out and you buy a great amount of rolling stock on which you pay 25 per cent down. In your estimate are you only estimating for the 25 per cent down, or are you estimating for the whole amount?

Mr. SMART: No, that is included in the budget. That 75 per cent is authorized by the budget for the year. So that you pay cash out of your current 25 per cent, and you have authority for the other 75 per cent; and that is given in the budget in the year in which the equipment is to be purchased.

The CHAIRMAN: In other words, the obligation incurred is not larger than the estimate here, and it is spread over.

Mr. BELL: That is satisfactory.

Mr. DUFF: Is it not a fact that outside of the $61,000,000 there is another security; for instance, of the $42,000,000 of deficit there is no asset behind it?

Mr. FAIRWEATHER: There are assets distinctly behind the capital requirements.

Mr. DUFF: But for the $41,000,000, there are no assets or security outside of the government?

The CHAIRMAN: That is to take care of an operating deficit, and there cannot be any railway asset against that.

Mr. DUFF: Except there is a difference between the assets and the liabilities, and the assets are greater.

The CHAIRMAN: Mr. Duff is absolutely right.

Mr. DUFF: Am I right or wrong in that?

The CHAIRMAN: You are right.

Section 6. This is as to the power to aid other companies. Shall this section carry?

Carried.

Shall the preamble carry?

Carried.

Shall I report the Bill?

If this Bill is to be reported to-day, I would suggest that the Committee have not done a great deal of work and we will probably have to sit when the House is in session. I do not mean by that that we will have to sit to-day, because this is rather an important day on Parliament Hill.

Will somebody move that the House be asked for authority for this Committee to sit while the House is in session?

Mr. CANTLEY: I will move that, Mr. Chairman.

Mr. POWER: I second it.

The CHAIRMAN: The motion has been moved by Mr. Cantley and seconded by Mr. Power.

Carried.

I hope it will be the will of the Committee to go right on now and finish up. I am exceedingly anxious to get the Committee to function. There has been a great deal of difficulty in getting it to do so, and I do not think it has been the fault of the chairman.

Mr. CANTLEY: On a question of privilege, I want to refer to the report of the meeting of April 19, on page 66, where I am reported as having said that an application had been made by the railways for an increase of freight rates. What I did say was that they had made an application for an increase in express rates, which is quite a different thing. If you will be good enough to have the proper parties correct that and substitute the word "express" for the word "freight".

The CHAIRMAN: Where is that?

Mr. CANTLEY: It is about the middle of page 66, simply that one word will make a great deal of difference in the argument.

The CHAIRMAN: The clerk will do what he can to have that corrected. I presume that on a revision of the minutes that can be corrected.

Now, gentlemen, we were at the annual statement. Shall we proceed from where we left off?

Mr. MACMILLAN: Might I ask, Mr. Chairman, whether you have any report to make as to what was transmitted regarding the house transaction in Montreal?

The CHAIRMAN: I have not so far been provided with that memorandum. I would ask the president if it is ready for production?

Sir HENRY THORNTON: It will be presented to-morrow.

The CHAIRMAN: It will be presented to-morrow, he tells me. That is on the question of improvements passed the other day, I asked for certain information respecting the pensions system in effect on the system. I asked that for the purpose of getting information solely for the benefit of this Committee. It has come to my attention that certain officials of the company have intimated that their pensions are in danger because of the asking for that information.

I would like to have it made clear that there was absolutely no such intention. All we have asked this information for is to get this information

in order that it may be available for a clear understanding of what the various pensions are. And I would like to say to the higher officials of the railway here present that any intimation to members of the staff that their pension systems are in danger is wholly without foundation, wholly unjustified, and should never be made by anybody among the higher executives to any other person among the officials.

Mr. STEWART: Has it been made?

The CHAIRMAN: It has been made.

Mr. MACMILLAN: How could that come about? Surely this Committee may ask in regard to our own property.

Sir HENRY THORNTON: I simply would want to make a statement in reply to what Mr. Hanson has said, that certainly, as far as I am concerned and as far as I have any knowledge of what any officer of the company has done, I know of nothing of the sort; and certainly it was not in my mind, nor did I draw any such inference from the question that was asked, that anybody's pension was in danger; but that the chairman's question was purely asked for a matter of information.

I have no knowledge, and I want to say it with all the emphasis at my disposal, that I have no knowledge that any such thing has been done.

We have here a number of statements and memoranda with respect to the pensions schemes, which I think had better be distributed to the members of the committee now.

The CHAIRMAN: Very good. That is all we asked for.

Mr. MCGIBBON: With respect to the house referred to, I would like to have Mr. Seguin, who, I believe, put through the deal for that house, appear before this committee. I would like to ask him some questions.

The CHAIRMAN: Will you move that he be summoned?

Mr. MCGIBBON: Yes.

The CHAIRMAN: Is he a real estate man, or is he a notary in Montreal?

Mr. MCGIBBON: I believe he is a clerk in Mr. E. R. Decary's office.

The CHAIRMAN: Let us have his name so that he may be summoned properly. The clerk will attend to that, Doctor. When do you want him here, —next Tuesday?

Mr. MCGIBBON: That will be all right. And I also would like to get some information in regard to the New York office. I do not know whether anybody is prepared to give it to us here. If anyone will, I will put in a series of questions.

The CHAIRMAN: Would this satisfy you, Doctor? Could we have a statement from the management as to the New York offices, together with a copy of all the documents relating to it? Because it seems to me if you are going into the matter we ought to have the documents.

Mr. MACMILLAN: I would like to ask two or three questions in regard to this matter. On page 1930-31 of Hansard, for the session of 1931, as revised, Dr. McGibbon asked certain question regarding the New York office of the railways. The answers are incomplete, in my judgment, and I would like to enquire further, if the railways had to pay any of the occupants or lessees of office space in the building at 673 Fifth avenue in order that the railway should obtain immediate possession of the building? If so, how much money was paid out in this connection?

How much money did the railways spend on remodelling the premises, and how much on furnishings, and in what year?

What is the term of lease by the railways at office building 673 Fifth avenue, New York?

What is meant by overlease held by Cordelia Realty Corporation, expiring April 30, 1955?

Does the lease of this building extend until April 30, 1955?

How much did the Railways receive in rental from sub-tenants occupying this building last year?

Are the premises at 505 Fifth avenue vacated by the railway still unoccupied?

When does the lease on the said premises expire?

What is the annual rental on the premises at 505 Fifth avenue, New York, for the years 1929, 1930 and 1931?

What is the annual gross and net rental paid by the railways for the premises at 673 Fifth avenue, New York, for the years 1929, 1930 and 1931?

What is the annual rental paid by the railways for the premises occupied by the traffic department in the Woolworth building, New York, for the years 1929, 1930 and 1931?

What amount of money did the National Railway pay by way of net and gross rental for the premises at 673 Fifth avenue, New York?

The CHAIRMAN: If you have those questions in writing, would you hand them in?

Mr. MCGIBBON: And I would like to add to that the yearly amount of salaries, and the amount of business done last year.

Mr. MACMILLAN: I think I have omitted one question there. I want to know if the railway had to pay any money to the people who were occupying the premises at 673 Fifth avenue, in order to get them out.

Mr. MCGIBBON: And I would also like to know, if possible, who the Cordelia Company is.

Mr. MACMILLAN: I would like to know who was the architect employed in the remodelling of these premises in New York, and what remuneration he received?

Sir HENRY THORNTON: We will get that information.

Mr. STEWART: In regard to the house property in Montreal, I would like to ask whether any other house properties owned and leased by the Canadian National Railways are occupied by officials of the railway?

Sir HENRY THORNTON: Yes, there are quite a number.

The CHAIRMAN: You mean houses or premises leased from the public for officers or officials of the railway? You do not mean premises owned by the railway company and leased to employees?

Mr. STEWART: Oh, no.

The CHAIRMAN: The house at Moncton is owned by the government and is occupied by Mr. Abbott, as general manager. You do not refer to such a case as that? It was Mr. Pottinger's residence before Mr. Abbott. It is recognized as the general manager's house.

Mr. STEWART: No, I do not refer to that at all.

The CHAIRMAN: Is there anything else on the same line, because we want to get the questions and give the management time to answer them.

Mr. MACMILLAN: As to the hotel down at Jamaica, I would like to know:

1. How much money have the Canadian National Railways invested in the hotel at Kingston, Jamaica?
2. When was the hotel opened and how long did it remain open?
3. Who owns the hotel?
4. Is the investment of the Canadian National Railways in this enterprise lost?

5. By what authority was the investment of Canadian National money made in the hotel at Kingston, Jamaica?

6. Was the orchestra taken from Montreal on one of the lady boats to be present at the opening of the hotel?

7. If so, how long was the orchestra employed, and at what cost by way of wages and expense?

8. Have the management of the railway any information to give the committee as to the future of the hotel at Kingston, Jamaica?

Mr. McGIBBON: I would like also, Mr. Chairman, to get the cost of equipment of all the medical services, including the cars, x-ray machines and everything of that kind, where they are located, the personnel, salaries, and the total yearly expenses, as well as the total investment.

The CHAIRMAN: The management will get all the questions from the stenographer. It will take time to get that information, of course.

Is there anything else, now, gentlemen? If we are going into these matters, now is the time to get in your requests.

Mr. MACMILLAN: I would like to know the cost of publishing the Canadian National magazine, the number of copies, the revenue, and if it is distributed free, the day on which they discontinued distributing it free, as I understand they are now charging so much per year, and I would like to know about it.

Mr. MUNN: Mr. Chairman, I asked two weeks ago for information in regard to purchases of ties under the unemployment relief. I would like to have a list of the contractors, the amounts paid and the deliveries.

Hon. Mr. MANION: There have been no amounts paid and no deliveries. They are only starting to take out the ties now, I think.

Mr. MUNN: I want a list of the contractors and whether the contracts were placed in the regular way or placed on recommendation from someone in charge of relief.

Hon. Mr. MANION: They were placed in the regular way. I can tell you that now.

Hon. Mr. CHAPLIN: In respect to an inquiry of this kind, I protest that if those contracts are now in effect we have no right in this committee to inquire into them. It is against the rulings of other days and is against our usual course of business.

The CHAIRMAN: If they are under unemployment relief, I do not think we have a right to go into them. Do I understand, is it alleged that this is unemployment relief money?

Mr. MUNN: Yes.

The CHAIRMAN: It is quite outside of the jurisdiction of this committee. You can get that information in the House. I think the Minister has so stated, and that the railway company was authorized out of unemployment relief funds to purchase 2,000,000 ties; and a certain sum was allocated for that purpose, but no matter under that has been referred to this committee, and it is not in this reference.

Hon. Mr. EULER: Does it not come under this inquiry?

The CHAIRMAN: No.

Mr. POWER: I had a question on this on the Order Paper, and because this was a railway matter we were referred to the railways committee for that information. I am quite willing to return to the House, if it is the opinion of the committee that we should not get this information here. However, I think that should be discussed here.

Hon. Mr. MANION: Perhaps, in view of these remarks, I had better make a few remarks too. I explained in the House of Commons what happened, that 2,000,000 ties were permitted to be purchased by the Canadian National Railways at the expense of the unemployment relief fund; an amount was allowed up to 65 cents a tie, which amounted in round figures to $1,300,000. I pointed out that the contracts were let by the Canadian National Railways in exactly the same way as they have always been let in the past when it really came out of the funds of the Canadian National Railways; that the men who got the contracts were given the contracts by the railway; that the prices were set by the railway; that the amount ultimately to be paid, by the totalling up of the contracts, I understood, amounted to between $900,000 and $1,000,000, instead of the $1,300,000, because they got them at such a low price.

That was, in brief, the information. Mr. Power and some other gentlemen asked for information about the names of the contractors and the prices paid, and so on—a lot of details which had never been given in the past. I had no objection to the names of the contractors being given, but there were something between three and four hundred of them scattered between the Atlantic and the Pacific, with the exception of Prince Edward Island, where they do not raise timber for ties. That is the whole story.

If the members of this committee wish to have a list of the names of the contractors, I have not any objection.

In regard to the details of the contract price, I have objection, because the railway gave the contracts as in previous years. I will give such information as has been given in the past; but I know of no reason why I should give more information.

Mr. POWER: Has the amount been transferred?

Hon. Mr. MANION: No. The contracts have been let by the railways, and none of the ties, I suppose, have been delivered yet, although they may be in the course of delivery. Until they want to pay for them, I do not suppose they will ask us for the money. But the contracts came through between $900,000 and $1,000,000, instead of the $1,300,000. The management of the railway, as usual, fixed the price very low; they fixed a very low price, so low that there were many complaints from different parts of the country; but that cannot be charged up to the discredit of the railway. We have nothing to do with it except that we allocated the money.

Hon. Mr. EULER: I asked whether the matter of the contracts for these ties did not affect the accounts of the Canadian National Railways, and the answer is no. Is that correct, or am I to understand that these ties which were purchased in connection with the unemployment relief are paid for by the government?

Hon. Mr. MANION: Yes.

Hon. Mr. EULER: Is this amount of money which is paid for the ties made a gift?

Hon. Mr. MANION: Yes. There will be a bookkeeping entry probably, because the money will go through their hands; but otherwise it will not be charged to them.

Mr. POWER: Then it is a gift of $900,000?

Hon. Mr. MANION: Yes.

Mr. MUNN: I am satisfied with the answer. I have a partial list, but strange to say some of these contractors never made ties before. It is surprising that the old contractors were passed by and they went to new people who never had been in the business before.

Hon. Mr. MANION: I also have a list of contractors under the previous government, and the same position exists. There are occasions in which some man got a contract who perhaps was not in the tie business, but for some reason he got it. It is a very small proportion, whether under the former government or under our government. I get complaints that Bill Smith or Tom Jones got a contract and he was not in the tie business. Perhaps Bill Smith or Tom Jones advanced funds to somebody else who had not money to do it; and there are a number of those.

Mr. MUNN: I want to say that the principle is wrong. I am in the lumber business myself, and if the railways or anybody else wants lumber, they should go to the legitimate operators in the business and not to those outside.

The CHAIRMAN: In the years gone by, the legitimate operators for ties or anything else were those who got closest to the government, and the other fellows never got a chance to have a look-in.

In 1930 we found the National Railways loaded up with ties, and when the change of government came in they said they could not take any more ties, that they had two years supply in hand.

Do you think I will stand back under circumstances like that? I am not made in that way.

Mr. MUNN: That is not what I am asking about.

Mr. GOBEIL: In my district there is a good deal of that. There were one or two dealers, as the case may be, and these dealers sublet contracts to men around the district, making their commission all around of in the vicinity of 10 cents per tie, to which also I do not object; but this year the prices were so low that nobody could afford to make a commission of 10 cents per tie; and I know of only one man in my county who is going to make delivery,—I do not think he has done that already, but he will make about 5,000 ties; but the price to him was from 20 to 30 cents less than the price in past years, and there was no 10 cents profit to anybody else. No big dealer or big contractor could avail himself of taking a commission of 5 cents or 10 cents per tie, because the prices were so low; and these contracts went directly to the small men in the country and the farmers who delivered the logs and got the full benefit of the price paid by the government to the tie dealer.

Mr. DUFF: Mr. Chairman, I am rather surprised to learn that either the past government or this government is making or giving contracts to tie people.

Hon. Mr. MANION: The hon. gentleman misunderstood. Neither the late Government nor this Government gave any contract for ties. It was mentioned because the Government supplied the money by way of relief funds; but neither the late Government nor this Government gave contracts for ties. The railway gave the contracts for ties.

Mr. DUFF: That is a better explanation than was given previously.

Hon. Mr. EULER: Mr. Chairman, I think you made the charge that some millions of ties were purchased just before the last election, intimating that ties were purchased which were not necessary for the needs of the railway?

The CHAIRMAN: I will ask Mr. Vaughan if when the change of government came, in 1930, the railway was not loaded up with ties and did not want to buy any more.

Mr. POWER: If we are to go into this question, let us go into it thoroughly. Mr. Munn asked for information as to the ties. Why not go into it thoroughly, if we are going into it at all?

Hon. Mr. MANION: If the committee wants to go into it thoroughly, this Government has nothing to hide.

In regard to what the Chairman said, I will say this, that in 1929, the year before the election, something like 14,000,000 ties were bought, when the usual annual consumption of the railway is about 6,000,000. I do not want to stir up a lot of stuff.

Mr. POWER: That will be established by the questions which we will ask Mr. Vaughan.

Hon. Mr. MANION: The first year after we came into power, 4,000,000 ties were bought and paid for by the railway, and 2,000,000 are being bought out of these unemployment funds this year. I have no fears, if it is stirred up; but I do not think it is worth while, I say frankly and honestly. I think it is a lot of little stuff.

I do not mind saying quite frankly that during the time we were in power people write in from all over the country, and I pass on the letters of these people to the manager, just exactly as Charlie Dunning did when he was Minister or Mr. Crerar. And I go further. Ties have not been bought this year all from one party. Neither were they bought under the late Government from one party. Perhaps they were lopsided under them, and perhaps they are lopsided under us.

Mr. DUFF: I was always under the impression, and I think I know something about the way ties are purchased, that it was done entirely by the railway, and that neither this Government nor the late Government has had anything to do with the purchasing of them. Why does the Minister say that so many ties were bought previous to the last election? I think the railway officials bought those ties because they needed them. It may be true that I or some other member may have written to the management about purchasing ties in our municipalities; but it should not be brought in that they were bought under the direction of the late Government.

Hon. Mr. MANION: I did not start this discussion on ties. I was opposed because I did not want to give a lot of information which was not given in the past. I am not wishing to make any political capital out of the question; but when it is shot at us that we have done something "phoney" about ties, I wish to say that ties this year have been bought exactly in the same way that they were bought under the late Government. There were very many ties bought in 1929 and many in 1928,—much more than they needed; and you can draw whatever conclusion you want on it.

Hon. Mr. EULER: This is not doing anybody any good. There is an implication made that a very large number of ties were bought unnecessarily,—that they were not required. I am not trying to be offensive, but the intention is to give the impression to the public that those ties were bought for political reasons. I am not disputing the statement that ties were bought, and perhaps more ties were purchased than ordinarily would have been the case, and perhaps more than the necessities of the case demanded,—I do not know. But since the charge has been made, I think those who purchased the ties should state why they were got.

Hon. Mr. MANION: Nobody made a charge.

Hon. Mr. EULER: Mr. Minister, you and I are very good friends, but the Chairman has made a charge that before the last election an unusually large number of ties were purchased. I think the intention was to leave the impression upon the public that it was done with a political purpose in view. Whether it was true or not, I do not know; I do not think it is true. I was a member of the Government at that time and I had no knowledge of it. I think those who purchased the ties should have an opportunity to say why they made the purchases.

Mr. MUNN: If you want information about ties, why not let us have a tie day?

Hon. Mr. EULER: The statement has been made and it is going out, and I would like to have it explained now, if possible.

Mr. DUFF: Is there any reason why we should not discuss that tie question now?

The CHAIRMAN: I am wholly in the hands of the committee, but I have nothing to take back.

Hon. Mr. EULER: If the representative of the railway is here who knows the facts, I would like to hear him now.

The CHAIRMAN: I have been handed a statement showing the number of ties purchased in Ontario and Quebec. In 1931 the railway purchased 3,149,062 ties; in 1930 the railway purchased 7,287,205 ties; in 1929 the railway purchased 12,862,129 ties,—pretty nearly 13,000,000 ties; in 1928 the railway purchased 12,078,496 ties; and in 1927 they purchased 8,049,592 ties; and those figures are very significant to me.

Hon. Mr. EULER: I want to repeat my question, and I would like to know why that number of ties were purchased.

The CHAIRMAN: All right. Mr. Vaughan is here and I will ask him.

Mr. DUFF: Mr. Chairman, and may we inquire into the price of ties in those years?

The CHAIRMAN: Yes; and there is a difference between 1928 and 1930 and 1931. The price has been hammered down to nothing. I think the price has been hammered down too low. Producers in my country say so, and that they cannot live. And my friend, Col. Cantley, has characterized the business of supplying ties as the refuge of the destitute.

Now, Mr. Vaughan, if you please.

Mr. VAUGHAN: Mr. Chairman, I think the figures have been got in the wrong year. You are taking the deliveries in the particular years, rather than the orders. We order ties in one year for delivery in the next year. That is, our ties, for instance, in the year 1929 referred to, the big purchase was made in 1928 for delivery in 1929. That was brought about by the fact that in 1928 some of our general superintendents complained that they did not have sufficient ties on hand to go ahead with their work early in the year. We had a meeting and decided that we should have 100 per cent carry-over of ties. Therefore in 1928 we decided to bring up that carry-over so that we would have ties in 1929 ready to go ahead immediately transportation is open, because a large proportion of our ties are water-borne and we do not get them until April, May or June, or sometimes in August. And that explains the large number of ties purchased in 1928.

At that time we were using about 10,000,000 per annum, and we had on hand about 5,000,000 ties. At present we are using only about 5,000,000 ties per annum.

The CHAIRMAN: What is your usual annual purchase on contracts,—did it ever average 10,000,000 ties?

Mr. VAUGHAN: Yes, for three or four years it averaged 10,000,000 ties a year.

Hon. Mr. EULER: So that 10,000,000 ties is not very much more than usual; and Mr. Vaughan explains it was done at the request of the superintendents, to bring up their carry-over.

The CHAIRMAN: In 1930, is it not correct that when application was made to the railway to purchase ties to help the unemployment situation, applicants

were told that the railway had much more than their requirements and did not want to purchase ties.

Hon. Mr. EULER: Because the depression came and they did not need so many, because they were not building so many branch lines?

Mr. VAUGHAN: That is true. There was no new contruction or rebuilding; and the creosoting program was beginning to show effect; but we have a large number of ties on hand.

The CHAIRMAN: The net result of your statement is that you were not in the market for ties in the fall of 1930?

Mr. VAUGHAN: That is so.

The CHAIRMAN: And would not have bought any ties but for the fact that the Government came to your assistance?

Mr. VAUGHAN: Yes.

Mr. DUFF: Were any great number of ties used in the building of the Hudson Bay Railway? Would they have been purchased by the Canadian National?

The CHAIRMAN: Anything bought for the Hudson Bay Railway was bought by the railway as agents for the Government and do not appear in the railway accounts at all.

Mr. POWER: May I ask if any ties purchased by the railway went to the Hudson Bay Railway?

Mr. VAUGHAN: I could not give you the distribution of it, but a large quantity of ties went to the Hudson Bay Railway in 1926, 1927, 1928 and 1929.

Mr. DUFF: Are the Hudson Bay Railway ties appearing in your figures?

Mr. VAUGHAN: Yes.

Hon. Mr. MANION: Then I was wrong on that.

Hon. Mr. EULER: Apparently the statement was made in criticism that 12,000,000 ties were bought in 1928, which is a very considerable period before the election. Mr. Vaughan says that they only ordered 2,000,000 more, and that is accounted for when he says that the heads of the departments required a little larger reserve in order to put themselves on the same basis as other railways, and that that was good railway practice.

Hon. Mr. MANION: I do not wish to drag it on, but the chairman pointed out that when we came into power in 1930 the Canadian National Railways had so many ties on hand that they did not want to buy a tie, and the only reason they bought any was that we coaxed them to buy 4,000,000 ties by assuming the interest on the 4,000,000. I do not wish to criticize at all, and I did not wish to discuss this matter, but Mr. Euler is taking such an extreme attitude in it that it is a little difficult to explain why they should buy 12,000,000 ties and why they had 12,000,000 on hand when we came into power.

Hon. Mr. EULER: It is very easily understood. Mr. Vaughan has explained that they bought a large number of ties, but not a much larger number than in the years when we were prosperous and were building branch lines. It is understandable why in 1930 the railway would not want to buy ties, because they were not building branch lines.

Hon. Mr. MANION: Branch lines were being built.

Mr. MCGIBBON: May I ask the Minister what was the budget of the Canadian National Railways previously?

Hon. Mr. MANION: The figures are on record in the House.

I do not want to carry on a political discussion in this committee, if we can avoid it.

Mr. McGIBBON: About as big as it was for five years before?

Mr. POWER: May I ask Mr. Vaughan this question. You heard the statement by the Minister that there were undue purchases. Was my summing up of it correct?

The CHAIRMAN: As a lawyer, that is a question for the committee to decide. That is the question at issue. As a matter of evidence, that is the point at issue which the committee have to decide, and you cannot ask that of a witness.

Mr. DUFF: May I suggest to Mr. Vaughan that one reason for the large purchases in 1928, 1929 and 1930 was that you were instituting a creosoting program throughout the country, and it was necessary to creosote a much larger quantity of ties than you really wanted?

Mr. VAUGHAN: Creosoting had been going on for a number of years, and we always had a larger number of ties than needed for immediate demands.

Mr. POWER: I would like an explanation from Mr. Vaughan of the matter put before us by the Minister of Railways which seems extraordinary, that when the government of which he is a member came into power the Canadian National Railways seemed to have a very great over-supply of ties.

Hon. Mr. MANION: I think the member might put his question without the statement.

Mr. POWER: Let him answer.

Mr. VAUGHAN: I do not know that I understand the question.

Mr. POWER: Why did you have an over-supply of ties in 1930, or did you have one?

Mr. VAUGHAN: As I explained, in 1928 we had been short of ties, at the beginning of 1928, so we decided to bring our carry-over up to practically 100 per cent, so that we would have our ties available in the spring of the year when we could put in the new ties, when labour was plentiful. Prior to that time we had been using from nine to ten million ties per annum. We ordered, I think something like 13,000,000 ties in 1928, which we got in 1929.

Mr. POWER: Why was it that in 1930 you did not want any ties?

Mr. VAUGHAN: The actual reason was this. We found it, in the first place, that we were getting a good deal of benefit from the creosoted ties, which were lasting 20 years instead of 7 or 8 years; so we decided to cut down at that time.

Mr. POWER: Prior to 1930, was pressure brought to bear on you to purchase ties, either generally or from any particular individual, by members of the government?

Mr. VAUGHAN: No.

Mr. POWER: Since 1930, was pressure brought to bear on you to purchase ties, either generally or particularly from individuals, by members of the Government?

Mr. VAUGHAN: As the Minister explained, in 1930 and 1931, they guaranteed the interest.

Mr. DUFF: Did the Government buy them or did you buy them?

Mr. VAUGHAN: The 4,000,000 ties were purchased by us.

Hon. Mr. MANION: Who bought the 2,000,000 ties?

Mr. VAUGHAN: They were bought by the Canadian National Railways.

Mr. POWER: Did you receive instructions to purchase from any particular person, those 2,000,000 ties?

Mr. VAUGHAN: At the time we bought our ties, they were bought on instructions from the president.

Mr. POWER: Prior to 1930, did you always receive instructions from the president's office as to the persons from whom you were to purchase railway ties?

Hon. Mr. MANION: I do not propose that Mr. Vaughan shall make any implication that there was any different procedure in 1931 than in previous years.

I am informed in my department that there has been no change in any manner or form. Is that right or not?

Mr. VAUGHAN: There has been no change in the purchasing of ties at all.

Hon. Mr. MANION: Or has there been any change in the method of picking out the people from whom you would buy them? Have they not been purchased as in the past?

Mr. VAUGHAN: I am in an awkward position. I have no politics. I doubt if the questions are fair.

Hon. Mr. MANION: That leaves a little implication that there was something wrong in 1931. Now I intend to open it up. In the past, under the Liberal Government, I got the lists of the ties purchased, and perhaps not 99 out of 100, but certainly 25 out of 26 or 27 were Liberals. It is a strange coincidence that they were always Liberals under that Government. I would say now that perhaps a proportion is switched the other way.

Hon. Mr. EULER: That is 25 out of 26 now are Conservatives?

Hon. Mr. MANION: Yes, quite probably.

Mr. POWER: May I ask whether they have been switched under instructions from the Government or the Minister?

Hon. Mr. MANION: No, no instructions have been given; but I will tell you what I did. I did just exactly as Charlie Dunning did when he was here, and as other ministers did; when I got recommendations from different parts of the country I passed them in and hoped that they would give them consideration.

Mr. POWER: Were your hopes realized?

Hon. Mr. MANION: Yes, just as the 14,000,000 ties before, in 1928, were realized for the Liberal Government. My friends here have been much worried about it. How is it that the year before the election Mr. Vaughan bought nearly 14,000,000 ties more than they had ever bought before?

Mr. POWER: Let us have an answer to that.

Mr. VAUGHAN: What we bought by our department was only what was to be bought for other departments. We do not buy anything on capital account but what is covered by the budget. We purchase—

Mr. MCGIBBON: I would like to ask Mr. Vaughan something.

Mr. POWER: The Minister will have no objection.

Hon. Mr. MANION: I would ask Mr. Vaughan to bring in a statement for our next meeting of the totals of all supplies purchased from 1920 to the present, in every year.

Mr. BEAUBIEN: In 1929, when the Canadian National Railways made the purchases of which you speak, was not that passed by the House of Commons and the committee?

Hon. Mr. MANION: Yes. It is the greatest bunkum in the world—does this committee go into all these details?

Mr. BEAUBIEN: You have been going into it this morning.

Hon. Mr. MANION: Yes, because it was pressed by members. I was not criticizing.

Mr. MCGIBBON: I want to know whether I heard Mr. Vaughan correctly or not—I hardly think I did. My conception of his answer was that he bought everything on the instructions of the president, as purchasing agent, as I believe he was. Have you no authority without the president to buy anything?

Mr. VAUGHAN: We buy in our department and assume the responsibility for practically everything we buy ourselves, excepting the matter of contracts which were proposed which are on the instructions of the president.

Mr. MCGIBBON: Do I understand that the president overawes you and gives you instructions to buy certain things at certain times?

Mr. VAUGHAN: No. We get instructions, if there are purchases of a large amount to be made; we get our instructions from the board of directors.

The CHAIRMAN: The ordinary routine you look after yourselves.

Mr. BEAUBIEN: In preparing the budget for the railroad, first, before it is finally accepted and passed?

Mr. VAUGHAN: We have now a committee, of course, which goes into the budget generally. Then after the budget is passed, we have what is called a financial committee, which consists of the Minister and others. But before we buy even under the budget, the committee passes upon the needs for it.

Mr. MACMILLAN: Now I would like to refer back to the pension matter, which we were discussing, and ask the following:

1. What is the present system of superannuation on the Canadian National Railways?

2. Is the system contributory?

3. Do you consider the system as operated at present fair to the people of Canada, the employees of the railway and the railway itself?

4. Is it possible for an employee or an official of the Railways to be paid a larger pension than the pension scheme calls for? If so, who is the authority to increase the pension of either an employee or an official?

I would like to ask Sir Henry: Do you consider the system as operated at present fair to the people of Canada, the employees of the railway and the railway itself?

Sir HENRY THORNTON: I think the answers to a good many of those questions will be found in the pamphlet which has been distributed; but if you will file those questions, I will consider them.

The CHAIRMAN: A series of questions has been handed up. Are these from you, Dr. McGibbon, about coal?

Mr. MCGIBBON: Yes.

Sir HENRY THORNTON: Who purchases coal for the Canadian National Railways in Montreal?

Mr. VAUGHAN: It is done through our department, sir—

Sir HENRY THORNTON: It is done by the purchasing department?

Mr. VAUGHAN: Yes.

Sir HENRY THORNTON: Did anyone other than the regular purchasing agent purchase coal or sign a contract for the purchase of coal, during the past three years?

Mr. VAUGHAN: The contracts are all signed by the general fuel agent.

Sir HENRY THORNTON: Did anyone other than the regular purchasing agent of the Railways—I understand Dr. McGibbon means the regular purchasing machinery of the railway—purchase any coal or sign any contract for coal, during the past three years?

Mr. VAUGHAN: No.

Sir HENRY THORNTON: Who signed the contract? That is eliminated by your answer to question No. 2.

Is that an answer to your questions, Dr. McGibbon?

Mr. MCGIBBON: I think that is. Mr. Vaughan answered that a little while ago.

Sir HENRY THORNTON: Then do you consider these questions answered?

Mr. MCGIBBON: Yes.

Mr. MACMILLAN: Sir Henry, can you answer the question as to pensions?

The CHAIRMAN: I think you should wait for an answer to be prepared. There are four different schemes, I understand.

Mr. MACMILLAN: I asked the president if he considers it fair to the Canadian people and to the employees of the Canadian National Railways and to

the railway itself, as it is at present operated. I do not think it would take a long time to answer that question.

Hon. Mr. CHAPLIN: We had a similar report last year, and I think it would be as well to delay the answer to that question until the next meeting.

The CHAIRMAN: I think it would be better to have it delayed until the next meeting; but if the question is pressed, I would ask Sir Henry if he can answer it now. Sir Henry would like to have a chance to refresh his memory on the memorandum prepared, and I think it is but fair.

Mr. STEWART: On October 3, 1931, there was an article called "America's Fall Tonic" by B. Bulger. It refers to the world's baseball series held each year, and it gives quite a description about the entertainment which goes on there, and I would like to read two passages and then refer to one other which refers to a Canadian railroad.

> The entertainment of visiting writers is, perhaps, the biggest item in the expense of the club owners. Starting with little touches of hospitality to visiting writers back in 1911, this feature of the big series has grown to such an extent that club owners now vie with one another in the novelty and lavishment of their entertainment. . . .
>
> The desire of Newport hostesses to surpass one another in giving their guests pleasure is no keener than this rivalry, as hosts, among the baseball club owners. The bills would probably make Newport dowagers elevate their eyebrows. In New York one year three local newspaper men were asked to act as hosts and do no stinting. . . .
>
> A most novel open house of the 1930 series was presided over by a representative of a Canadian railroad company.

I would like to know if there was any representative of the Canadian National Railways who presided over that novel open house, and, if so, who he was and what it cost the people of Canada.

Sir HENRY THORNTON: Where and in what city was this open house?

Mr. STEWART: It was in the baseball series of 1930.

Sir HENRY THORNTON: Presumably it was in the United States?

Mr. STEWART: Yes.

Sir HENRY THORNTON: I know of no such episode, and I know of no official of the Canadian National Railways who is connected with any such thing.

Mr. STEWART: I would like to know whether it was any officer of the Canadian National Railways.

Sir HENRY THORNTON: No. It does not say the Canadian National Railways?

Mr. POWER: If you were at the World Series and somebody asked you if you would go and preside over such a jambouree, wouldn't you go?

Sir HENRY THORNTON: I have probably seen, in the last nine years, about one baseball match, and I never attended any functions in any way connected with any baseball championship; and I know nothing whatever about the episode to which you refer; and I know of no official of the Canadian National Railways who was in any way connected with any such thing.

Mr. STEWART: Might it be possible for an officer of the Canadian National Railways to have been connected with it?

Sir HENRY THORNTON: No, quite impossible. There are other railways in Canada.

I would like to say that so far as I am concerned, in connection with such a matter as is referred to in that article, and as far as I know no officer of the Canadian National Railways was connected with it.

Mr. MACMILLAN: Mr. Chairman, I would like to get a list of the directors' expenditures and fees that they received from the Canadian National Railways up to the change when the new board came in, up to the past five years.

Mr. POWER: Including both.

The CHAIRMAN: Let us have it for a period of a year before and after—two and two; that is fair enough.

Now, shall we return to the routine, or have we any more questions?

Mr. POWER: Before we return to our own business, may I ask if we cannot have the list of vendors of ties under that unemployment relief?

The CHAIRMAN: I have already ruled against it.

Hon. Mr. MANION: Yes, providing we also have the lists for the previous years too. We should have all of them.

Mr. POWER: Who will supply the list?

Hon. Mr. MANION: Mr. Vaughan can supply the list. May I say a word, so that there will not be any misunderstanding going out to the public. Whether these ties were bought largely from one political party or another, I want to say that the Canadian National Railways did not suffer to the extent of $1, as far as the price of ties was concerned. The Canadian National made the price and they gave the contracts, and they bought the ties; so that there was no fixing of the price by either government. Both governments made recommendations of people that were writing in about it, and they passed on the recommendations.

Hon. Mr. CHAPLIN: Do I understand the Minister to say that he is going to give out information in respect to ties or tie contracts presently in effect? Because I certainly will object to that, because that is not in accordance with what has previously been done. I am willing to inquire into anything that is passed, but as to something which is in effect, it is against all rules that we have ever had, both in the House and in the committee.

Hon. Mr. MANION: I do not know that my friend Mr. Chaplin is correct in that. It is not the case of the prices and the contracts. I am just a member of the committee and in the hands of the committee.

The CHAIRMAN: I want to point out that none of the tie purchasers immediately subsisting are in the Canadian National budget at all, but they are under the relief, and do not come within our purview at all.

Mr. POWER: We have asked for that information in the House and we are not able to get it.

Hon. Mr. MANION: But all kinds of other information was asked for in the House.

Mr. POWER: It does not matter to me where we get it, but I would like to have the information.

Mr. MACMILLAN: I would like to ask whether it has been the practice, when the board of directors have met at a meeting, that $40 in gold was given at each time that they met?

Sir HENRY THORNTON: Do you mean the board?

Mr. MACMILLAN: The board of directors?

Sir HENRY THORNTON: No. The board of directors receives a salary of $2,000. It is not my understanding that the directors get anything as directors beyond the $2,000. The executive committee meets once a week or sometimes oftener, and, I think it was approved by order in council, received $40 per meeting.

Mr. MACMILLAN: Do they receive that now?

Sir HENRY THORNTON: Yes. The board of directors as a whole receive a salary of $2,000 a year. If he is a member of the executive he receives $40 per meeting.

Mr. MACMILLAN: And they have expense accounts over and above that?

Sir HENRY THORNTON: Yes.

Mr. MACMILLAN: I would like to have the expense accounts of these directors included with the other questions, for two years prior to the election of the new board and two years in the new board.

Sir HENRY THORNTON: You mean two years prior, and up to date?

Mr. MACMILLAN: Yes.

The CHAIRMAN: Is it not true that the board of directors have taken a ten per cent cut of their honourarium, the same as other employees?

Sir HENRY THORNTON: That is true.

The CHAIRMAN: I know they are getting $1,800.

Mr. MUNN: Do I understand that the members of the executive are receiving $40 for each meeting as well as a salary?

Sir HENRY THORNTON: Yes.

Mr. MUNN: Have they been reduced that 10 per cent on their salary?

Sir HENRY THORNTON: Yes, the directors have taken the ten per cent cut on their salary.

Mr. MACMILLAN: What is the present practice of the board of directors as regards their expenses?

Sir HENRY THORNTON: They get a per diem allowance of $15 per day. I forget just the day when that was brought into being, but it was brought in by the new board some few months ago.

Mr. MACMILLAN: That is since the new board?

Sir HENRY THORNTON: Yes, Mr. MacMillan.

Mr. BELL: Mr. Chairman, referring back to Mr. Power's question, as to the fact that he asked for the number of tie contractors, and that he could not get the information in the House, I would raise the constitutional question,—

Mr. POWER: Come over on our side.

Mr. BELL: That this committee should not grant this information to Major Power until it has been decided by the House that he should get the information asked for.

The CHAIRMAN: Mr. Bell, I have already ruled that, as these ties were purchased under a special unemployment relief guarantee, and do not form any part of the Canadian National budget referred to this committee, it is not within the purview of this committee to deal with the question.

Hon. Mr. EULER: Have any ties been purchased during the last year, outside of those authorized in that way?

Mr. VAUGHAN: No. We had an old contract, in connection with the sale of some property, which takes care of some 150,000 ties a year; but no new contract.

Mr. DUFF: On a point of order, if I understand the question correctly, as to the purchase of these ties under the Unemployment Relief Act, I understand that a lump sum was to be passed over to the railway for the purchase of these ties?

The CHAIRMAN: A maximum sum.

Mr. DUFF: Whatever the ties cost. Now then, I think we are entitled to go into this matter because those ties would be and are being purchased by the Canadian National Railways and cheques will be issued to the contractors by the Canadian National Railways, and the amounts will go through the Canadian National Railways; and in the end the amount would be paid by the Government to the Canadian National Railways. So that I think we are quite in order in asking for that information as to the expenditure of money for these ties.

The CHAIRMAN: I have already ruled upon this matter. The Committee may overrule me.

Mr. POWER: I understood, Mr. Chairman, shortly before Mr. Bell brought this up, that we were to get this information.

The CHAIRMAN: Not from me, sir.

Hon. Mr. MANION: I said that I have no objection to the list of names. Some of the Committee object to it being given. I am in the hands of the Committee, the same as my friend.

Mr. POWER: I understand that the Minister is willing.

Hon. Mr. MANION: Yes, on the condition that we get the lists of other years as well.

The CHAIRMAN: What is the wish of the Committee? If there is no motion, we will proceed to other business. As far as I am concerned, you are not to have it, unless the Committee decide otherwise.

Mr. POWER: I appeal from your ruling.

The CHAIRMAN: Very well, put it in writing.

Mr. DUFF: I do not think we should have any voting upon it. The Committee should have the information. If we go back to the Minister next year and ask who got employment under the Unemployment Relief Act, he will say that he has not the information and that the Government passed it over in a lump sum. If we cannot get it from this Committee, we cannot get it from the House.

The CHAIRMAN: That would be too bad. I think I am sound in my ruling.

Mr. POWER: Technically, Mr. Chairman, I think you are.

The CHAIRMAN: What is the will of the Committee? Do you want this information or do you not? I do not care anything about it myself.

Mr. POWER: I would like to have it, and I would move that we have it.

Mr. MUNN: I second that motion.

Mr. BELL: I still insist, Mr. Chairman, on the constitutional question that this information, if it cannot be obtained from the House it cannot be obtained through a Committee of the House.

The CHAIRMAN: I would have to rule upon that motion, that Mr. Power cannot get that information here. Mr. Power appeals from the ruling of the chairman. Shall the Chair be sustained? Will the secretary count the numbers voting?

The CLERK: Seven.

The CHAIRMAN: Those against the appeal from the ruling of the Chair?

The CLERK: Seven.

Mr. BEAUBIEN: Is the Minister not obliged to vote?

Hon. Mr. MANION: If I am to vote, I would vote that the chairman be sustained. I was fair enough not to vote. I have voted now, and that settles that.

The CHAIRMAN: Then the ruling is sustained, and we pass on to other business.

Gentlemen, when we were meeting a week ago we were taking up the annual statement of the president, and we have proceeded so far as the question of operating expenses, on page 7. Is there anything arising out of that statement, as far as it has gone, about which the Committee wishes to carry on any discussion?

Mr. BEAUBIEN: The other day I asked if the Committee would give me certain information in regard to the Chateau Laurier.

The CHAIRMAN: Mr. Beaubien the other day asked for certain information in respect to the Chateau Laurier? Is the management ready to make any statement on that point now?

Sir HENRY THORNTON: I did not hear the question.

The CHAIRMAN: Mr. Beaubien on the 12th April, requested information respecting the improvements made at the Chateau Laurier, Ottawa. Is that information available at present?

Mr. MacMillan: What page is that?

The Chairman: It is in No. 3 of the Minutes of Proceedings and Evidence, and in the Evidence at Page 53:—

> Mr. Beaubien: Might I ask that the officials of the Canadian National Railway give this information. I have had a lot of correspondence, and there have been rumours in the country as a whole, substantial rumours, in regard to improvements to the Chateau Laurier or changes that were made in the Prime Minister's house. I should like to ask who it was requested by, and what was the cost.

I suppose the "house" means "suite."

The information is not available to-day, I am told.

Mr. Beaubien: And I have not brought my brief down.

The Chairman: Is there anything arising out of pages 5, 6 and 7, so far as we have gone on the statement of operating revenues?

Hon. Mr. Euler: What are we at, Mr. Chairman?

The Chairman: At the last meeting, a week ago, we read over pages 5, 6 and half of 7 of the president's report to the Minister, which, as you will recall is the regular routine; and discussion often arises out of that. We had a discussion on the question of motor vehicle traffic on the last day, that comes under the very last paragraph before Operating Expenses. These figures, of course, are very startling, and I do not know whether I should say illuminating or not, but I hope members of the committee as well as members of the house have studied these figures, because to me they are very startling, and they press in upon us the seriousness of the situation, so far as they affect the credit of the country and the whole railway situation in the country.

Mr. Duff: Is there anything new about it, Mr. Chairman?

The Chairman: I will leave the opportunity open, if any member wants to make an observation.

Sir Henry Thornton: I would say this, bearing upon the whole general question, more particularly as it relates to this year. We find that for the first three months ending March 31st this year, our system's revenues were down $8.590,000, or 17·8 per cent. Our expenses are down $8,902,000, or practically the same amount, 17·8 per cent.

For class 1 roads in the United States, for the two months ending March 1, revenues were down 22·8 per cent, and expenses were down 22·2 per cent. That is just an indication of how things are going this year. It is indicative of the fact that we are now meeting the decreases in revenue with decreases in expenses; and our reduction in revenues is 17·8 per cent, as compared with a somewhat similar period in the United States of 22·8 per cent; so that from a revenue point of view we are slightly better than the average class 1 railway in the United States.

That has no direct bearing on this report but at the same time it has more or less bearing upon it.

Hon. Mr. Euler: Would it be fair to make a comparison with the other Canadian railway?

Sir Henry Thornton: I have not got it at the moment. It could be done as soon as their report is out.

The Chairman: Shall we proceed or is there any discussion arising out of this aspect of the question?

Mr. MacMillan: I move that we adjourn, Mr. Chairman. It is now 10 minutes to 1.

The Chairman: Until when? To-morrow morning at 11 o'clock.

The committee adjourned to meet, Wednesday, April 27, at 11 o'clock a.m.

Room 231,

House of Commons,

April 27, 1932.

The Select Standing Committee on Railways and Shipping met at 11 a.m., Mr. Hanson presiding.

The Chairman: Sir Henry Thornton has requested an opportunity to make a statement to this Committee this morning. One of the things that I undertook with Sir Henry Thornton, when I became chairman of this Committee, was that he would have full opportunity for a full defence and fair play. I am going to ask the Committee to hear Sir Henry Thornton at this time.

Sir Henry Thornton: Mr. Chairman and gentlemen: Pursuant to the resolution of your Committee, dated April 12, 1932, calling for a copy of any resolution passed by the Board of Directors in relation to the provision of a house in Montreal for the President of the Canadian National Railways and any other information of a written character, together with a memorandum covering the whole transaction, there are filed herewith certified copies of all resolutions appearing in the minutes of meetings of the directors, also a copy of the lease.

The executive committee of directors on September 17, 1929, passed the following resolution:—

> Whereas in the opinion of the executive committee a suitable residence in Montreal for the Chairman and President of the company is essential for the proper conduct of the company's business, it was unanimously resolved that the executive committee should undertake to lease a suitable and properly equipped residence for the use of the Chairman and President of the company under such terms and conditions as the committee may subsequently deem proper.

The Board of Directors on September 23, 1929, passed this resolution:—

> Resolved that in the matter of the leasing of a suitable residence for the use of the Chairman and President of the company in Montreal, the resolution adopted by the executive committee in this respect at its meeting on September 17 is approved, and the committee is hereby authorized to lease a suitable and properly equipped residence for the use of the Chairman and President of the company under such terms and conditions as the committee may subsequently deem proper.

The minutes of the meeting of the Executive Committee of the Directors held on March 24, 1930, read as follows:—

> The President then left the meeting and reference was made to the resolution of the directors passed on September 23, 1929, regarding the provision of an official residence for the President and to the unsuccessful efforts made to secure one.
>
> It was decided that in order to carry out the intention of the directors as from the date of such resolution an adjustment should, when the residence was purchased, be made with the President in respect of rental, as of the date of his present contract.

18862—9½

The Executive Committee of the Directors on June 16, 1930, passed the following resolution:—

> Resolved that the company rent from George H. Seguin, for a term of ten (10) years, commencing on the first day of August, nineteen hundred and thirty (1930) and expiring on the thirty-first day of July, nineteen hundred and forty (1940), that certain house bearing No. 1415 Pine Avenue West, in the City of Montreal, for an annual rental of fifteen thousand seven hundred and twenty-five dollars ($15,725), payable quarterly on the first days of February, May, August and November of each year, the first payment to become due on the first day of November next (1930), and subject to the following conditions on the part of the company, namely:—
>
> To keep the house in good order of repairs during the entire term of the lease.
>
> To use the premises as a private residence only, and for no other purpose.
>
> To pay all taxes and assessments, general or special, or of any nature whatsoever which may be imposed on said property during the term of the lease.

The minutes of the meeting of the Executive Committee of the Directors held August 7, 1930, are as follows:

> It was decided that the approval of the Executive Committee given on June 16, 1930, to the lease to the Company of a house (No. 1415 Pine Avenue West) as a residence for the President, as approved by the Directors September 23, 1929, be now entered in the minutes of the said meeting of June 16, 1930.

When I came to Canada to discuss with the then Government the question of my acceptance of the post of President of the Canadian National Railways, I expressed the opinion to the Government of that day that the task I was asked to undertake was one of the greatest difficulty, in view of the financial position of the enterprise and other attendant features; further, that I was willing to undertake it at a salary of $50,000 per year if it was understood that this compensation should be materially increased if I succeeded, with the aid of the staff, in bringing about any marked improvement in the operating and earnings results.

In 1928 some of the Directors intimated to me their desire to vote me a bonus of $100,000 as recognition of what had been accomplished in the previous five years, informing me that similar action had been taken by other companies. I considered the proposal, but preferred not to accept it because I felt that it was hardly fair to other executive officers who had given highly effective service.

The records show that at that time I was under contract until October 4, 1930, and the then Board of Directors felt that in recognition of the improved showing of the system it was only fair that a new contract be arranged on a basis which would substantially increase the payments to me; in other words, it was considered that the time had arrived when the compensation of the President should be made comparable with that of other large railway systems.

Having rejected the suggestion that a bonus of $100,000 be paid me in recognition of past services, I accepted the proposal made at that time by the then Board of Directors that, as some recognition of the value of my services, the railway provide an official residence for the head of the enterprise not only on that account but because in the judgment of the Board it was considered desirable that the head of the organization should be provided with a suitable residence for the fulfilment of many duties which fell upon his shoulders.

It is not unreasonable to point out that I have in every way endeavoured to co-operate with the views of the present Board and to relieve the company of further expenditures on my behalf. Although the resolution relating to the provision of the house stated that the house should be "properly equipped," in view of subsequent adverse financial conditions I voluntarily undertook the financing of all repairs, conditioning, furnishing and equipment for the house, have also stood personally all upkeep and maintenance charges since occupancy, and in this respect I assumed a heavy burden running over fifty thousand dollars which the original resolution in no sense contemplated. Consequently the provision of the house rent free, instead of being an asset has proven a considerable liability.

The contract as finally negotiated between the government and myself provided for a payment of $75,000 per year and reasonable expense allowances. The members of the then Board of Directors and the Hon. C. A. Dunning, Minister of Railways and Canals at that time, confirm, that the amount of expense allowance was to be determined by the Board of Directors. The expense allowance was fixed at $15,000 per year and was designed not to cover many necessitous expenses incurred through my office, but official expenses which attached to the position of head of the Canadian National Railways.

The Directors also determined that it was proper for me to receive a $5,000 contribution from the Ontario Car Ferry Company, an enterprise not controlled by the Canadian National Railways but jointly owned with the Buffalo, Rochester and Pittsburg Railway, and, in addition, $5,000 on account of my presidency of the Central Vermont Railway and a similar amount on account of my presidency of the Grand Trunk Western Railroad, both subsidiaries of the Canadian National.

To clarify the situation, at this point, I lay before you an interchange of cablegrams between Mr. Tom Moore, now at the International Labour Conference in Geneva, a member both of the former and the present Board, and myself:—

MONTREAL, April 20, 1932.

MOORE, Canada of, Geneva.

Questions being raised in Committee of House as to payments and allowances made by Directors in addition to straight salary covered by contract especially in view limitation as to salary contained in said contract. My understanding is that at time contract was made in 1929 entire matter was discussed with Minister Railways and it was understood Board of Directors were free to grant at their discretion other annual payments and allowances, as for instance payment to me from Central Vermont and Grand Trunk Western, and could also at their discretion provide free house, and in pursuance thereto action of Directors was taken accordingly covering items above. Would appreciate cable from you setting out if this is your understanding and confirm my understanding that above is in accordance with the facts.

THORNTON.

GENEVA, 1932, April 21, a.m. 3.15.

THORNTON, Canadian National, Montreal.

Believe your understanding to be correct and am convinced government were satisfied to leave Directors free to make extra allowances referred to and that same were not considered as conflicting with terms of your contract.

MOORE.

The former Minister of Railways and Canals, the Hon. C. A. Dunning, states, and is prepared to confirm, that,—

> The salary contract with Sir Henry Thornton provided for $75,000 annual salary and also provided that reasonable expenses should be paid. The Board of Directors have exactly the same authority over Sir Henry Thornton's expenses as over all other expenses of the Canadian National System.

The following legal opinion was supplied me by Messrs. Campbell, McMaster, Couture, Kerry & Bruneau, Advocates and Solicitors, Montreal,—

This is signed by Mr. Campbell.

> I have examined the terms of the Agreement between His Majesty the King, represented by the Minister of Railways and Canals, and yourself dated the 23rd of October, 1929, and also the Agreement between you and the Canadian National Railway Co., dated the 23rd of September, 1929, and various resolutions of the Board of Directors and Executive Committee of your Company, submitted in reference to your emoluments and allowances.
>
> After careful consideration of these various documents, supplemented by discussion with yourself, I am of opinion that there is nothing in your contract with the government, or with the Canadian National Railways, which would prevent the Directors of the Canadian National Railway Co. from adopting the various resolutions submitted to me in reference to your emoluments and allowances, over and above your stated salary of Seventy-five thousand dollars ($75,000) per annum.
>
> I am of opinion that the various actions taken by the Directors of the Canadian National Railway Co. in the matter, as set out in these resolutions, were within their powers under the Statutes governing the Company and the By-Laws heretofore enacted by it, and approved by the Governor General in Council.

Previously in this memorandum it is stated that in 1928 I was approached by some of the directors with respect to a bonus of $100,000, but declined to accept it. I, however, approved of the suggestion put forward by some of the Directors that the railway should equip itself with a house for the use of its chief executive officer. The transaction in connection with the house is outlined as follows by Mr. J. Gill Gardner, a member of the former Board of Directors:—

> In the Spring of 1929, the Directors had under active consideration the question of making a new financial arrangement with respect to the services of the Chairman and President.
>
> It was observed that various large commercial concerns deemed it advisable to provide official residences that remain available for persons from time to time holding high executive positions.
>
> The Directors had in contemplation in the first place the purchase of an official residence, but eventually it was decided to avoid a capital commitment, and on September 17, 1929, the following resolution was passed by the Executive Committee, namely:—
>
> > Whereas in the opinion of the Executive Committee a suitable residence in Montreal for the Chairman and President of the Company is essential for the proper conduct of the Company's business, it was unanimously Resolved that the Executive Committee should undertake to lease a suitable and properly equipped residence for the use of the Chairman and President of the Company under such terms and conditions as the Committee may subsequently deem proper.

On September 23, 1929, the Board of Directors passed a further resolution reading as follows:—

> Resolved that in the matter of the leasing of a suitable residence for the use of the Chairman and President of the Company in Montreal, the resolution adopted by the Executive Committee in this respect at its meeting on September 17 is approved, and the Committee is hereby authorized to lease a suitable and properly equipped residence for the use of the Chairman and President of the Company under such terms and conditions as the Committee may subsequently deem proper.

I may again observe at this point that concurrently the question of salary was under consideration but was settled subsequently after the decision to provide a house. I may explain that under the above resolution the house was to be a "properly equipped residence," but, as a matter of fact when the question of proper equipment arose later, the President voluntarily assumed the necessary expenditure himself.

Pursuant to resolution (copy attached) of June 16, 1930, a house bearing No. 1415 Pine Avenue West, Montreal, was duly leased from George H. Seguin to serve as an official residence of the Company.

There appears to be some misunderstanding as to the purchase of the house in question which was for sale by the then owner. The Company however had nothing to do with any purchase; it simply leased the property from the above-named lessor upon the terms and conditions set out in a copy of lease hereto attached.

May I add that the proposal was favourably discussed with the Acting Minister of Railways and Canals, the Hon. James A. Robb.

As one of the former Directors I have full knowledge of the transaction, and in closing I desire to observe that the Directors were animated only with good-will towards the enterprise and the President, in view of the fact that largely through his efforts a homogenous railway system highly efficient with an enthusiastic loyal personnel had been created from several competing railways and antagonistic staffs.

May I add that in 1922 the financial showing of the all inclusive system was as follows:—

Net revenue from operation	$ 4,726,951
Available for interest	1,211,921
Deficit after interest to public	33,911,315

whereas in 1928 it had become as follows:—

Net revenue from operation	$ 56,039,462
Available for interest	45,131,694
Surplus after interest to public	3,185,686

The president Board of Directors continued the payments until I relinquished the amounts from the Central Vermont and Grand Trunk Western Railways.

I believe it to be necessary, as a matter of justice, to take this opportunity to express to the Select Standing Committee on Railways and Shipping the opinion that the situation relating to expense accounts of officers and employees, club dues, etc., has become distorted in the public mind, the situation portrayed by the press reports tending to create the idea that there has been widespread wrong-doing. Justice to those concerned impels me to take this opportunity of informing you that it is my considered opinion that there is no ground whatever for that belief. Both in point of efficiency and honesty the personnel of the Canadian National System measures up to high standards.

It should be recognized, in dealing with such a subject as the total travelling expenses of such a huge system, that while the figure may appear large, it is in a comparative sense moderate. The amounts of approximately $1,900,000 in 1930 and $1,600,000 in 1931 are repeatedly referred to as being entertainment expenses of the officials and, in some cases, as being the entertainment expenses of the executive officers. The amounts, in point of fact, represent a year's travelling activities on the part of 3,500 Canadian National men, of whom 712 are officers. The travelling expenses include all payments at hotels, whether they be owned by the company or by others, sleeping car fares, meals and incidental expenses which are necessary. It must be remembered that on a railway such as the Canadian National, there are many hundreds of men who are almost continuously away from their homes on company business. The average of these travelling expense accounts works out at about $40 per month per man whose duties call for expense disbursements. In 1931 the travelling expenses of the 712 officials, as distinct from other classes of employees, amounted to $514,000.

Another statement which has attracted wide attention is to the effect that the railway is disbursing an amount of $100,000 a year in dues for social club membership for officers and staff. There is nothing, either in 1930 or in any other year, to support this statement. The highest amount disbursed in any year on that account was $20,000, and no such payments are now authorized except after the most careful consideration by the Board of Directors as to the necessity of such club membership. As a matter of fact, it is a well known practice of large business organizations to have their officers become members of important clubs where contact is made with prominent and influential men. I know of no enterprise which has for its object the sale of services or products to the public which is completely immune from the necessity of a reasonable degree of entertainment to patrons and clients. The Canadian National is no exception to the prevailing practice. For dues in business clubs the railway expended in 1930 and 1931 an average of $18,016. The summary of all club membership expenses, both business and social, during 1930 and 1931 is as follows:

	1930		1931	
	Entrance Fees	Annual Dues	Entrance Fees	Annual Dues
Business Clubs..	$ 1,294 00	$18,640 55	$ 356 50	$17,393 79
Social Clubs..	9,543 00	19,948 32	2,920 50	17,696 84
	$10,837 00	$38,588 87	$3,277 00	$35,090 63

The amounts expended for business clubs represent memberships in Boards of Trade, Chambers of Commerce, associations of traffic, mechanical and other railroad officers, etc.

The progressively improved results of the Canadian National Railways since January 1, 1923, and until the cyclone of depression struck us all, may be attributed in a very large degree to the devotion and efficiency of its officers and in no less degree to the enthusiastic loyalty of thousands of employees from the Atlantic to the Pacific without whose co-operative effort progress would have been unattainable. I rejoice in the opportunity to again express my appreciation and gratitude to all of those in the service of the Company who have, in fair weather and foul, given to the enterprise continuous and unwavering loyal support.

This statement, Mr. Chairman, I submit:—

> On this day, the eighth of the month of August, nineteen hundred and thirty;
>
> Before Mtre. Lionel Joron, the undersigned Notary, duly admitted and sworn in and for the Province of Quebec, residing and practising in the City and District of Montreal;

Came and appeared: G. Henri Seguin, residing in the City of Montreal, Notary, hereinafter called the "Lessor," who doth hereby lease for the term of ten years (10) commencing on the first day of the month of August, nineteen hundred and thirty (1930), and expiring on the thirty-first day of July, nineteen hundred and forty (1940), unto Canadian National Railway Company, a corporation duly incorporated, having its Head Office in the City of Montreal, herein acting and represented by Sir H. W. Thornton, of the City of Montreal, President of the said Company, and R. P. Ormsby, of the City of Montreal, its Secretary, both hereunto duly authorized in virtue of a resolution of the Board of Directors of said Company passed at its meeting duly held at the City of Montreal on the fifteenth day of the month of March, nineteen hundred and twenty-six (1926), copy of which resolution will remain annexed to the original hereof, after having been signed *ne varietur* by the undersigned Notary, hereinafter called the "Lessee," hereto present and accepting for itself, its successors and assigns, the following immovable properties, namely:—

DESCRIPTION

"A" An emplacement fronting on Pine Avenue, in Redpath, in the City of Montreal, containing one hundred and fifty-five feet in width in Pine Avenue and being composed of:—

(*a*) Subdivisions forty-two and forty-three of Original lot number one thousand seven hundred and fifty-five (1755-42 & 43), upon the official plan and book of reference of the St. Antoine Ward;

(*b*) The Southwesterly part of subdivision number forty-four of said original lot number one thousand seven hundred and fifty-five (1755 S.W. pt. 44), upon said official plan and book of reference, measuring twenty-five feet in width in front and in rear by the whole depth of said subdivision number forty-four, bounded in front by Pine Avenue, in rear by subdivision numbers eighty-one and eighty-two (81 and 82) on the North East side by the remainder of said subdivision forty-four and on the South-West side by subdivision forty-three of said official lot.

"B" An emplacement also situate in Redpath Crescent, in "Redpath", composed of:—

(*a*) The South-West portion of subdivision number eighty-one of said original lot number one thousand and seven hundred and fifty-five (1755-S.W. pt. 81), containing twenty-three feet nine inches in front and six feet ten inches in width in rear by a depth of ninety-nine feet one inch in the South-West side line and one hundred and two feet eight inches in the North East side line, bounded in front by said Redpath Crescent, in rear by subdivision number forty-four of said original lot number one thousand seven hundred and fifty-five, to the South-West by subdivision number eighty-two of said official lot and to the North-East by the remainder of said subdivision number eighty-one of said original lot number one thousand seven hundred and fifty-five;

(*b*) Subdivisions numbers eighty-two and eighty-three of said original lot number one thousand seven hundred and fifty-five, upon said official plan and book of reference, with the house thereon erected bearing civic No. 1415 of said Pine Avenue, whereof both gable walls are entirely built on the above described immovables with which the Lessee declares itself content and satisfied.

CONSIDERATION

The present lease is so made for and in consideration of the sum of One hundred fifty-seven thousand two hundred and fifty dollars ($157,250) during the term of said lease to be accounted and reckoned

from the first day of the month of August Nineteen hundred and thirty (1930), and payable as follows:—

Fifteen thousand seven hundred and twenty-five dollars ($15,725) per year in and by forty quarterly, equal and consecutive payments of Three thousand nine hundred and thirty-one dollars and twenty-five cents ($3,931.25) each payable on the first day of the months of February, May, August and November of each year, whereof the first payment will become due on the first day of the month of November next (1930) and thus to continue up to and including the thirty-first day of the month of July Nineteen hundred and forty (1940).

CONDITIONS

The present lease is so made subject to the following charges and conditions which are of the essence hereof and to the fulfilment whereof the Lessee binds and obliges itself, namely:—

1. To pay the cost of this deed and a certified copy therefor for the Lessor;

2. To pay the water tax and all other taxes and assessments general and special affecting said immovables from this day and the proportion from this day of those for the current year as well as any and all instalments to become due from said date of any special assessments, payment whereof is spread over a term of years;

3. To execute all repairs of any nature whatever in the above described and presently leased premises and Fire Insurance premiums;

4. To comply with the conditions and stipulations relative to the use of the premises as set forth in the title deeds of the Lessor, namely:

"No building shall in any event be a tenement or apartment house, or be so constructed or divided within as to permit of its being occupied by two or more families having each a distinct portion of the building not communicating from within: Any building erected upon the said property must be used as a private residence only, or as the accessory of such, and not as a school, hospital, tavern or for any purpose of trade, business or manufacture, or for the purpose and business of any Corporation of a public character".

5. To leave and abandon the hereby leased premises at the expiration of the present lease in as good order and condition as they were at the time the Lessee took possession thereof.

6. To submit to all passive servitudes affecting the hereby leased property, with the right of exercising all active servitudes attached thereto, and generally to fulfil to the exoneration of the Lessor all obligations to which he may be bound under his deed of acquisition and to hold said Lessor harmless and indemnified in respect thereto.

Whereof Acte:

Done and passed at the said City of Montreal and of record in the office of the undersigned Notary under the number fourteen thousand and sixty-nine of the Minutes of the said Notary.

And, after due reading hereof the Parties signed with and in the presence of the undersigned Notary.

(Signed) G. H. SEGUIN,
H. W. THORNTON, *President.*
R. P. ORMSBY, *Secretary.*
LIONEL JORON, *Notary.*

True copy of the original hereof remaining of record in my office.

LIONEL JORON,
Notary.

Mr. McGibbon: Mr. Chairman, I hold in my hand a copy of the agreement with Sir Henry Thornton. I have repeatedly said I do not know what he is worth,—I do not particularly care. I have repeated that from the first. His contract called for $75,000 and reasonable out-of-pocket expenses. Now, a contract, to my mind, is a contract; and I have always taken the ground that if Sir Henry was worth more or thought he was worth more he should come to the Government of Canada, who represent the people who own this railway and there demand it and get it, if he could. If the people did not think he was worth it, it was another question. I resented and resent now these round-about, underhand ways of getting increased salary.

In regard to those expenses, I took occasion the other day to enquire into them. During the last five months, if continued for twelve months, the saving will be three-quarters of a million a year. Now, when you can get cut off three-quarters of a million dollars on a two million dollars account, it is a material saving; and so, to my mind, something must have been pretty loose before.

As far as club dues are concerned, I do not know why any official getting the salaries which are paid to the officials of the Canadian National Railways should want the public to pay their club dues. I totalled them up as Sir Henry was going along, and I think they ran to about $48,000 all told. If this road was progressing and if the people did not have to put their hands in their pockets for about $100,000,000 a year, it would be a different picture altogether.

The attitude which I have taken all along is this: This railway is a danger to the country, and in times of depression like this, when thousands are being kicked off at the bottom and people's wages are being reduced, the economy should start at the top and the example should start at the top. If we cannot trust those who are leaders in industry, in finance, in business and in politics to set an example which will take this country through this depression with the least disturbance, and that will leave the people in the best frame of mind, where are we going to get leadership?

As I said before here, I got this information a year ago, and it has not been materially changed. I said nothing publicly, hoping that this thing would be changed from the top and some example would be set here. I will grant that there has been a reduction there of three-quarters of a million dollars. I think probably they should have credit for that; and I think part of it is due to the fact that we stirred it up last year.

As far as Sir Henry's salary is concerned, I do not pretend to know what he is worth; but I resent, on behalf of the Canadian people, these underhand ways. I am not blaming Sir Henry Thornton,—the Board of Directors should take most of it, for these underhand ways of getting around an agreement, and that agreement was with the Government of Canada and was not with the Board of Directors.

The Government of Canada are the ones who hired Sir Henry Thornton, and they definitely stated in the contract here what his salary was to be, $75,000 and reasonable out-of-pocket expenses, and they named it to be for all the subsidiaries. In the face of that, I do not know how any man can go and take salaries from subsidiaries, after signing an agreement to the contrary. That is all.

The Chairman: What is your pleasure in respect to the statement? Shall it go into the minutes? I think it ought to be printed in the minutes, and in addition to what is here, I suggest that the contract should be printed in the minutes.

Hon. Mr. Euler: I will second that. I have not much to say, because I believe that the statement made by Sir Henry Thornton speaks for itself; also I take it for granted that the prime object in the minds of every one of us, whether we agree or disagree, is the good of the Canadian National Railways; and I deprecate very much anything that may or would take place in the Committee which is in opposition to that thought.

The CHAIRMAN: You would include in that, would you not, the Canadian people?

Hon. Mr. EULER: I have always taken it that they were synonymous. The Canadian people own the Canadian National Railways, and the two are synonymous.

The points of criticism have been the salary and remuneration given to the President over and above the $75,000, as given in his formal contract, and the added expense account; and very little has been said just now by Dr. McGibbon with regard to the expense account. It certainly seems to me a very reasonable explanation.

I have no brief for anybody in particular, but it seemed to me a very reasonable explanation of that expense account, that after all, men who are travelling in the interests of the Canadian National Railways average only something like $40 a month. I think if comparisons are made with the expenses of other large enterprises, that the judgment would be that these expenses were not excessive. That, of course, might be a matter of opinion and matter for proof.

With regard to the salary of the President and the emoluments given to him, there is no dispute that he was directly given a salary of $75,000 plus reasonable expenses, the expenses to be decided by the Board itself. That would make some $90,000. There was an additional amount, I think, of $5,000 for each of the two roads that operate in the United States. That may be open to question and may be open to arguments, and there may be a difference as far as opinion is concerned, as to whether the Board should have given that, or for that matter whether Sir Henry should have accepted that. I think, however, he is on pretty sound ground when he has that opinion, a legal opinion, if you like, and he has the resolutions of the Board to back him up in that. I would also say, however, that I think he has acted pretty well in giving up those emoluments altogether.

Then we have the matter of the house. Possibly here the opinion of the committee might censure the government for what was done. I, as a member of the Government, although I had no knowledge of the transaction with regard to the house—and I say that quite frankly—am quite ready to accept any responsibility in regard to that.

In fairness to Sir Henry, I think it should be stated that when the arrangement was made with regard to the house it was with the knowledge of, call him his superior officer, if you will, the Minister.

I would say further that there may be some criticism coming to the Board of Directors and there might be some criticism coming to the present Board of Directors that they continued some of these payments after some of the members of this committee last year expressed at least disapproval of what had been done. I may say that I make no special plea for the former Government. The former Government did what they thought the people of Canada wanted them to do, administer the railway through a Board with no interference whatsoever, or as little as possible—and I would say no interference at all as far as they are concerned. That meant giving the Board the complete management of the road; and for one I believe that is the only way in which that road can be managed properly. Run it pretty nearly as much as possible as any privately run road can be conducted.

The CHAIRMAN: Mr. Euler, would you allow me a question? You do not mean to include in that complete operation and the complete running of the road, that they would in any way contravene the statute as to capital commitments?

Hon. Mr. EULER: Oh, no. The former Government was always compelled to submit to parliament capital expenditures. I cannot recall in all that period,

up until the time that the railways found financial difficulties, the same as all other enterprises, that anybody, without regard to party, raised any objection; nor was objection raised in the House. If there has been any fault by the former Government it was, I think, that they tried to act up to that definite principle of non-interference with the Canadian National Railways. I think they were right in that; and I want to express the hope—and I am making no criticism when I say this—that no matter what has been done in this committee or what may be done, that practice will continue, because if it does not, if there is too much interference or if there is any interference, too much dictation as to the management of the Canadian National Railways, it can only result in difficulties.

Hon. Mr. MANION: I would interject that there has not been any interference by this present Government with the internal management of the Canadian National.

Hon. Mr. EULER: I accept that statement. I lay it down again—perhaps I am not the one to say it—that in my opinion the Canadian National Railways can only be injured by any government, whether it be Liberal or Conservative,—

The CHAIRMAN: Or a Labour government?

Hon. Mr. EULER: Or a Socialist government—if it interferes with the internal conduct of the Canadian National Railways. This was not in my mind to say when I rose to speak; in fact, nothing particularly definite was in my mind when I did rise. I believe it would be in the interests of the Canadian National Railways—and I do not say this because it is now a Conservative government—if the Board could be composed of people who had no political relations or affiliation whatever. This is not by way of any criticism of the present government.

I am glad Sir Henry has made the statement. I believe it clears the atmosphere and clears away a good many misconceptions which have been noised abroad through the press, and which have been a misfortune, I think, for the Canadian National Railways.

I would say, in conclusion, that after the President took charge of the organization, from that time on, gradually and progressively, the people of Canada and the parliament of Canada gave a great deal of credit to the management of the road for taking it from a position where they made a difference, in the period from 1922, I think it was, until 1928, of some forty or fifty million dollars on the right side of the ledger. I think that was an accomplishment worth while; and the point I make is that it was the unanimous opinion of the people of Canada, regardless of party, and the members of both parties voiced it in the House, that a great accomplishment had been performed by the management of the railway; and criticism was only voiced at a time when all other lines of business were suffering very seriously.

I think we have figures in our reports to show that the National Railways are suffering not only from the present depression but from special circumstances in the same way as its competitor, the Canadian Pacific Railway, that is competition from trucks; and from that the loss of traffic, as shown by percentages, has been about the same in the two railways, and practically the same as in the great railways in the United States.

Now, summing it all up, Mr. Chairman. I do not know whether this thing has come to an end—I wish it had, in the interests of the railways themselves—in regard to the two criticisms which have been made, one in regard to the criticism which has been discussed pretty freely. I am inclined to agree with Dr. McGibbon that it would have been better all around if the salary of the executive were an absolutely fixed sum with nothing on the side, if you want to put it in that way; although I do not agree with the statement made twice by Dr. McGibbon that there was anything underhand in regard to it. I think the committee should absolve Sir Henry from any such charge.

The other is the matter of the expense account, with which I have dealt already.

I want to thank the committee for listening to me; my remarks have been somewhat rambling, but I have said, I think, all I need say.

The CHAIRMAN: Before you proceed, may I ask a question. Is it your idea that this committee should not have gone into any of the matters in Sir Henry's statement? If so, what do you conceive the functions of this committee to be?

Hon. Mr. EULER: I think the functions of this committee are to deal with the financial statement, to pass the appropriations and estimates required and to express an opinion, in the report to the House, as to the policies to be followed by the railroad. I would say this also, that when you appoint a Board of the Canadian National Railways in which you have confidence, and the present Government at least ought to have confidence in the Board which is now in office,—that they have a definite duty to perform, and that our duties should not very seriously combat theirs or interfere with theirs. It is certainly quite all right to investigate anything which you may regard as worthy of investigation, or anything which you may think is the object of suspicion; and I would say that if there is anything shown which shows anything in the way of wrong-doing or graft, you will find me supporting the investigation. I say that in all sincerity; but I do not think it is the work of the committee to do the work of the Board of the Canadian National Railways.

If we felt as some of the members here did,—I do not criticize them for that,—I suggest that there are two ways of doing it, first, to express what we felt to the Board of Directors, and then let them make their investigation. I think that is fair to the Board of Directors.

Again, I do not care to criticize in regard to the sub-committee,—I think I did not act. I do not think it was the duty of the members of the committee personally to investigate the accounts. We have auditors who can do it probably better than we can do it ourselves. I did not intend to say that, but it was brought out by the question asked by the chairman.

The CHAIRMAN: Mr. Chaplin wants to address the committee.

Hon. Mr. CHAPLIN: I think the committee, Mr. Chairman, are more or less glad to have a statement from Sir Henry Thornton. The statement speaks for itself. The action of the old Board of Directors also speaks for itself. I would like to know if there is any member of this committee would defend for one minute the action of the old Board in respect to the one matter that is under discussion, and that is the salary of Sir Henry Thornton. Is there anybody in the committee who would defend that action? And that is where Sir Henry has been well bolstered by the Board of Directors. I say that not in any terms of criticism, but the fault is as much with the old Board as with anyone else; but I do not think it exonerates Sir Henry Thornton in accepting emoluments which he took from this company. That is my view.

Sir Henry Thornton hands us the opinion of a lawyer. If I am going to take the opinion of a lawyer, we would not need any judges. I can get an opinion from one lawyer on a matter, and get an entirely different opinion from another lawyer. If we are going to take the opinion of a lawyer, God only can help us, we do not need judges at all but we can all carry on without.

I also say this, that he also gives us the opinion of Mr. J. Gill Gardner. I am not going to get behind Mr. Gardner or anyone else. I would like to have the opportunity of examining his expense account in the Canadian National Railways.

The CHAIRMAN: If you want it, you may have it.

Hon. Mr. CHAPLIN: I intend to ask for it. I also intend to ask for the attendance of Mr. Dunning here, to ask whether he actually knew of the transactions of this old Board. I think until we do have him here we are not in a position to touch the crux of the situation.

I have nothing to say about the personnel of the higher officials, except this, that as far as I can see the personnel of that Board, the expenses of the higher officials have not been as closely guarded as expenses of the lower down ones. That is a thing I would like to inquire a little more into. I do not believe in the explanation which is made by Sir Henry Thornton as to the average of expenses. The average of expenses does not mean anything to me at all. I want to see what the expenses of the chiefs were.

I know of a case in this railway where a man made a trip all over Christendom at an expense of a sum given as some six or seven thousand dollars. I know the expenses of another one who went to the West Indies for another purpose, to examine the water in the West Indies, probably for the use of the boats. I do not know, but it seems to me that a road which is working under the difficulties which this road is working under, should not go into such things. If a man is going to take a trip, if he is a higher salaried man, let him take his trip and pay for it.

A good deal has been said about the Board of Directors. I want to make this remark. I do not agree regarding the Board of Directors. I do not agree with Mr. Euler that they are to be held responsible. How on earth can a Board of Directors who come there once a month, or even an executive who come oftener, on a salary of $2,000 a year be expected to know anything about a railroad at all? A railroad of this magnitude cannot be governed by a Board of Directors such as we have here. That is not their fault, I admit; but I am only giving you my opinion.

A Board of Directors should be paid full time, and paid a good salary, and held responsible. Just imagine a Board going down there and having an agenda before them to discuss, and then being held responsible for what is going on. I could talk a good deal longer, Mr. Chairman, but I am in this position, I want to be fair to the railroad. I have always been a supporter of the railroad; three-quarters of the business I do goes to this railroad; and I have never wanted to criticize unduly the railroad. I would rather defend it than otherwise. That is the position I take.

Sir HENRY THORNTON: Mr. Chairman, may I have the privilege of a word?

The CHAIRMAN: Yes.

Sir HENRY THORNTON: Reference has been made to the Board of Directors. Probably any remarks with respect to the activities of the Board would more properly come from some member of that Board other than myself; but I would like to say this: Since the present Board has been in office, relations between the executives, the higher officers and others with whom that Board have come in contact have been cordial and amiable. Every opportunity has been given to that Board, cheerfully, to make examinations and accept suggestions such as are the result of those examinations.

The Board meets once a month. The executive committee meets once a week, and frequently during the interval from one week to another I, as President of the Company have been in contact and consultation with those members of the executive committee, on various subjects, who are available. I can only say to you that that Board has fulfilled its responsibilities with extraordinary vigilance and with every fidelity, with every desire to meet the situation which now confronts the railway. I have worked with them now for nearly eighteen months, and I can say without fear of challenge that in every respect and in regard to every question that may have been controversial we have come to an under-

standing, to an agreement with respect to policy which, in the minds of the Directors and in my mind, would best serve the interests of the enterprise and the people of Canada.

To assume that in any way the Board of Directors has not a sufficient knowledge of the affairs of the company and its policies to intelligently pass thereon, is to assume an inaccuracy. I have served upon many boards in many different countries, and I know of no board which has been more vigilant and which has had more complete opportunities for investigation than the present Board of the Canadian National Railways.

As I said before, probably that statement would come more appropriately from some other member of the Board than myself, and I simply leave it at that. I think there is no member of the Board here present who would deny the accuracy of the statement I have made.

Mr. McGIBBON: I just want to say a word in reply to Mr. Euler about our having auditors. In looking over the accounts, I saw one account which had the following voucher attached, addressed to the President, Dear Sir Henry: My out-of-pocket expenses were nineteen hundred some odd dollars for the present trip. That was passed by the auditors, and that was the only explanation there was. I am not going to give the name.

Hon. Mr. EULER: What year was that?

Mr. McGIBBON: During 1930 or 1931.

Hon. Mr. EULER: During 1931 the Deputy Minister of Railways was one, and several other members of the present Board passed those accounts before they were paid.

Mr. McGIBBON: We may as well be frank. There is no voucher whatever required from higher officials.

Hon. Mr. MANION: I just wish to make it clear, in the first place, that there has been no political interference of any kind by this Government in the administration of the Railways. There has never been a proposal put to this railway management in any shape, manner or form, that was not a proposal to save money.

Hon. Mr. EULER: I have made no charge.

Hon. Mr. MANION: I am not quarrelling with your statement at all, but I am just making this statement in order to put our side of the question before the committee, briefly. Our attitude has been one of necessary economy. When we came in, we found, as was natural under the circumstances, that conditions were bad and were getting worse; and they have been getting worse ever since, so far as earnings of the road are concerned. And, in view of the fact that the Government or the parliament of Canada has to raise money or guarantee bonds to the extent of scores of millions of dollars, to the extent, this year, in round figures, of $71,000,000, and last year $112,000,000, my view is somewhat different from Mr. Euler's. My opinion is that this committee should have the right, without feeling that they were doing anything out of the ordinary, to go into any branch of the railway service which they think is being carried on unnecessarily expensively and where they think perhaps there may be economies made.

I frankly tell this to the committee, that I get letters from all over the country complaining about this, that or the other. I frequently take them up; but I ignore anonymous letters—

Hon. Mr. EULER: I was referring to matters of policy.

Hon. Mr. MANION: My friend is entitled to his opinion. I do not know that I would call a saving of half or three-quarters of a million a year a small figure. I frankly say that I think the work of this committee last year had something to do with it. Many of the things with which this committee has dealt I was

dealing with, before this committee undertook to deal with them, through Mr. Smart who is on the Board of Directors as my representative; and, between ourselves, we take some little credit for the economies which have been brought about. I am not saying that by any means, for a moment, as a criticism of the management; but I say that in some instances the management of the road had become too enthusiastic and had gone too far. That is not a criticism of any serious moment, because that is true of many private companies; many private companies had done the same thing. The reason we come into the picture is that we either have to supply the money or guarantee the bonds, which in the long run may come to the same thing.

Hon. Mr. EULER: I was not making any objection.

Hon. Mr. MANION: No, and I am not objecting to what you have said. If I have what looks like a fair complaint, I pass it on to Sir Henry; and if a person seems to have had a hard deal, I ask him to look into it and see that the man gets a fair deal. I presume it was done in the same way by various Ministers of Railways before this.

I ask that the members of the committee shall not cast reflections which should not be cast. They have a right to go into the accounts and cut down in any way they can as long as they do not injure the efficiency of the Canadian National Railways.

Sir HENRY THORNTON: I think, in view of what the Minister has said, I may with propriety say that both he and I have worked together amicably and agreeably and enthusiastically for the purpose of achieving the objective which he and I have had in mind; and I think the Minister will say in every case I have endeavoured to discuss all questions with him, to profit from his counsel, and that we have together worked in our respective capacities for the accomplishment of the purposes which he has named.

Hon. Mr. MANION: That is quite a fair statement. In justice to the members of the present Board of Directors,—I am not going to speak at the moment of the late Board of Directors,—I think they are doing excellent work and they are taking their position seriously; and I agree entirely with what Mr. Chaplin says, that meeting once a month, as they do, and once a week as the executive does, it cannot possibly go into all the details, and in the same way, as I said yesterday, this committee cannot possibly go into all the details. That is what I meant when speaking to Mr. Beaubien yesterday. But the executive committee and the Board of Directors as a whole are doing excellent work and taking their position very seriously, in view of the present financial condition.

Mr. BEAUBIEN: The Minister has said that the Board of the Canadian National Railways had probably gone to a great deal of expense, with too much enthusiasm about the future of the Railway. Probably that statement is correct, but it implies that we are simply victims of circumstances. The railway is in no different position than the rest of us.

Hon. Mr. MANION: Except that we have to check them up, whereas with private companies we do not.

Mr. POWER: Arising out of the statement of Sir Henry Thornton and that of my friend, Mr. Chaplin, I think perhaps we have a fruitful source of discussion. Referring for a moment only to the statement of Sir Henry Thornton, which, as far as I am concerned, was entirely satisfactory, I hate to disagree with my good friend, Dr. McGibbon at all in his characteristic charge as to the manner in which this additional salary was voted to Sir Henry. I personally cannot see anything underhanded, that is in the method of procedure, when the Board of Directors and the Minister apparently approved, in the cases of the two subsidiary railways and the matter of the house which is also dealt with.

The CHAIRMAN: However, are you not overlooking altogether one of the vital parts of Sir Henry's contract when you make that statement?

Mr. POWER: Apparently those who made the contract agreed; the Minister of Railways at least acquiesced in it, and my friend knows very well that a contract can be changed by agreement between the parties,—not that I am going to discuss it in detail.

The CHAIRMAN: Would it not have been very much better to have done it in the other way?

Mr. POWER: I will not discuss a matter of law with my friend, because it is beyond my legal ability. However, I would hardly characterize it as underhand, and that without reflection on the language used by my friend, Dr. McGibbon. I think, however, what is of more importance is the point brought up by my friend, Mr. Chaplin.

Mr. Chaplin, as a business man of considerable experience, makes the statement here that in his opinion this system of management of the road through a Board of Directors which only meet once a month is not a proper system for a road like this. I think that is within our order of reference. It is within our functions to examine into that question. I think you, Mr. Chairman, will agree with me that we could perform a very useful service to the country and the railway if we enquire into the question whether this administrative set-up is that which we should have to manage the Canadian National Railways.

Hon. Mr. MANION: To interrupt you, is it not practically the same position which exists in the banks and the Canadian Pacific Railway?

Mr. POWER: I was coming to that, to say that in my opinion the Canadian Pacific Railway has the same set-up, a similar Board of Directors. But Mr. Chaplin, who is experienced in business, makes the statement that he does not believe that the Canadian National Railways can get anywhere so long as they continue with this system.

Probably we could more usefully enquire into that than into the mass of details, such as has been proposed; and there is another matter, and I am making the suggestion with all respect, into which we could enquire. The Minister has told us, and we accept his statement, that there has been nothing in the way of political interference with the road since he took charge. But yesterday, at least, there was an implication that the former Government or the former Board of Directors did interfere to a certain extent. I gathered from the Minister, or there was, as has been pointed out, a kind of an admission by the Minister himself that there had been a certain interference in that he had seen to it that the tie contracts,—

Hon. Mr. MANION: Did not all go to Liberals. This is a National road, and not a Liberal road?

Mr. POWER: Yes, but the tie contractors under the former Government were mostly Liberals. I suppose the Minister is capable of judging as to their political allegiance. We have not been able to find out their names, but no doubt very many of them are Conservative. I understood from the Minister that 26 out 27 of those who had contracts before had lost out.

Hon. Mr. MANION: I think I was a little too generous yesterday in my remark, because I made it in somewhat heated terms after listening to Mr. Vaughan hedging in a reply. Mr. Vaughan knew as well yesterday as he does to-day that recommendations went in from the late Government as well as from this Government.

I tried to keep away from the tie question, because there is a certain little criticism on both of us. It was the one little thing which was political, yet which did not cost the Canadian National Railways one penny under either govern-

ment. I make the correction to-day that there are very many of the contractors under the late Government who have contracts now. Mr. Paradis was a contractor with the late Government. He is a very severe and stringent Liberal, and he got most of the contracts under the late Government. There is at least one member of my friend's party who has had a contract, and he has a contract this year; and he got very great contracts under the late Government.

There are perhaps one-third, at any rate, of the contractors who got contracts in the past who have got them to-day. There is no cast-iron rule. But I say frankly I do not think nine out of ten contracts should be given to one particular political group. At any rate, many of the men who have got contracts to-day are of the Liberal party.

Mr. POWER: The position I take, and as I always understood when the party to which I gave a certain amount of allegiance was in power, was that it was impossible to bring political pressure on the Canadian National Railways. That was my understanding, and I still am of that understanding. I understand that the Minister makes the statement that the same situation exists?

Hon. Mr. MANION: That is correct.

Mr. POWER: There is a feeling throughout the country that political interference has bedevilled the Canadian National Railways.

Hon. Mr. MANION: I can answer for our party that there has been none. I cannot answer for my friend's party.

Mr. POWER: Why shouldn't we enquire into that? My friend, Mr. Chaplin, has suggested that we bring Mr. Dunning here. I have not seen Mr. Dunning for six months, but I think he would be glad to come. Why shouldn't we question him on that? I think we should question Sir Henry Thornton on that. I do not think Mr. Vaughan will hedge if we question him on it. First, as to whether the present administrative set-up is of any use to the Canadian National Railways.

We have here members of the executive committee of the railway. I see Mr. Moraud, of Quebec, and he can tell us whether he considers this system a useful one. I also see Mr. Boys. I believe we all have confidence in him,—I know I have,—and we can ask him whether he considers this is a proper way to manage the road. I think then we would be doing something for the country and the company.

I would personally be very glad if we could go into the whole question of political interference under the former and the present Government.

Yesterday the Honourable the Minister stated to the committee that just prior to the election there was an abnormal expenditure of $40,000,000, made by this road. I would not know whether it was made in their own interests or under pressure.

Hon. Mr. MANION: Mr. Vaughan was asked by me to bring in a statement as to expenditures for certain things. We will deal with them then.

Mr. POWER: That is only one instance. I would like to go into the whole question. If we made a thorough inquiry into that, we would be doing something for which parliament might be thankful.

The CHAIRMAN: Apropos to the suggestion that the present set-up is not a proper set-up, I would say that that question is under review by the Royal Commission, and I think they can do it much more efficiently and effectively than we can do it. They are experts, while we are laymen. I suggest to the committee that we ought not to be working along contrary lines to that on which they are working. We ought at least to wait until they have made their report. That is the question of administration, which Mr. Chaplin has raised and which my friend, Mr. Power, has referred to as the administrative set-up. That is a matter of policy.

I quite agree that if nobody else were attempting to deal with that matter it would be quite within the function of this committee, and it still is; at the same time it would be wasted effort, and we are not in as good a position to deal with it as the Commission, a number of whom are members of the executive, some of them of big railway executives, and they may have better ideas than we could possibly have on this committee. I would throw out the idea that we do not go into that at this time. If they do not pursue it, we can act next year.

I would say this, that I think it would be at present very largely wasted effort on our part. Sir Henry Thornton suggested that this committee recommend a committee to the government and parliament accepted the recommendation, and the Governor in Council has set up the Royal Commission. While it is in that sense before the court, I submit it would not be the wisest course to pursue for this committee to go into it while they are functioning.

While I am on my feet, may I make some observations with respect to Sir Henry Thornton's statement. I think it is well known that I have entertained the view that under the reference made to this committee the questions that have been raised here by Dr. McGibbon and Mr. Beaubien are quite within the purview of this committee, if they relate to the particular years under consideration; and I have no apology to offer for having entertained that view. I think it is a sound view.

I further think that a great deal of good has already come out of the discussions which have taken place, if, as Dr. McGibbon assures us, on a survey which he has made—a brief survey though it may be—in connection with this matter of expense accounts, there has been a saving of $300,000 last year, and an estimated saving of three-quarters of a million dollars this year, then I think the taxpayers of this country will be grateful that this matter has been ventilated in this committee. And while I am just making that general observation, I would like to make a further observation. I do not think it is the considered opinion of any member of this committee, and by that I include the whole committee 100 per cent, that the officials of the Canadian National Railways are thieves or grafters, speaking generally. I believe that they are, taking them by and large, from observations which I have been able to make while travelling over the country, meeting them and observing them, just as honourable a group of men as any other group of men similarly charged with responsibility; but in every group of men, in any combination, in any industrial concern, you will always find the odd man who will not do the right thing, and he brings discredit on the others.

If, having ventilated this thing, we can correct some irregularity, we shall have performed this service, and at the same time we have performed a service for the executive heads of this railway who are doing well and are trying to do the right thing by the railway, and there will be no reflection on the individual who has done the right thing; rather will there be praise for the executive officials of the National Railway, and I am not going to limit it to the higher officials. I want that to go out through the press of this country that the members of this committee feel that the men lower down on the list are loyal, efficient, honourable men as a class, and that there never was and is not now any intention to reflect on the whole group; and I am sure Dr. McGibbon will stand up in his place to-day and corroborate the views which I am expressing on this point. They must not feel that because the operations of the railway are being investigated here before this committee that they or any of them are under a cloud.

Mr. McGibbon: Quite right.

The Chairman: I would like to have that made perfectly clear, and I would like that to go from one end of Canada to the other.

I have given as much time to the deliberations of this Committee as any other individual, and I make this statement in justice to the men, and also I make it in justice to the members of this committee.

Sir EUGENE FISET: Mr. Chairman, might I be allowed to make a few remarks, not only on the remarks made by Sir Henry Thornton, but also in regard to the statements made by Dr. McGibbon. We seem to be thinking of different things. It appears to be the opinion that when Sir Henry Thornton was engaged as President of the Canadian National he was engaged by the Minister of Railways. I am of the opinion that he was engaged on the recommendation of the Board of Directors, and then by order in council.

The CHAIRMAN: Was he not engaged by the Government, and was not the engagement announced in the House?

Sir EUGÈNE FISET: Exactly, and it was on specific recommendation by the Board of Directors that he was engaged and his salary fixed. I am informed by one of the Board of Directors that that is how it came about.

The CHAIRMAN: He will tell you that was not the way he was engaged at all.

Sir EUGÈNE FISET: That is the way I have understood in this committee.

The CHAIRMAN: Will Sir Henry tell us how that is?

Sir HENRY THORNTON: Mr. Chairman, with respect to the circumstances relating to my employment initially on this railway, the first intimation which I had with respect to the possibility of employment in Canada was through the then High Commissioner in London on behalf of the Government of Canada; and as a result of an exchange of cablegrams between the High Commissioner and the Government, I came to Canada to discuss the matter.

The only body with whom such a thing could be discussed at that time was the Government of Canada, and I made my arrangements with the Government of Canada. My recollection is that that took place in November, 1922, or possibly October.

Sir EUGÈNE FISET: I am afraid we are at cross purposes. What I meant was that the re-engagement of Sir Henry was made on the recommendation of the Board of Directors.

The CHAIRMAN: There are two contracts, one with the Government of Canada and the other with the Canadian National Railways. Perhaps you are both right.

I am having copies of both contracts made and they are going into the record so that he who runs may read. *(Printed as Appendix to this day's evidence).*

Sir EUGÈNE FISET: I mean that the re-engagement of Sir Henry was made by the Board of Directors.

Hon. Mr. MANION: It was on the recommendation of the Board of Directors after the Government had employed him first. The Board of Directors had recommended him after the Government had engaged Sir Henry.

Sir EUGÈNE FISET: The re-engagement was made on the recommendation of the Board of Directors. The salary was $75,000, plus $15,000 for ordinary expenses; and the same machinery, the same Board of Directors recommended the other subsidiary salary which Sir Henry Thornton received. Therefore the same machinery was used. Therefore how can we possibly blame Sir Henry in any shape or form for having accepted those salaries?

I do not think it was fair to say that this was done in an underhand manner. It was done openly, in the same manner as his re-engagement was made. As far as we are concerned, I think this has been explained satisfactorily to the committee.

Then, sir, there is the second Board. My friend, Mr. Chaplin, said that the Board of Directors as employed at present is not exactly what should be done, and I think I agree with Mr. Chaplin. I think the Board of Directors should be paid a sufficient salary to be acting daily and to be completely in control of the road; and I go further. I am one of those who hold the present opinion that the Chairman of the Board of Directors should not be the same as the President of the Company. I have expressed that opinion in the House and have no hesitation of expressing it here.

I would like to ask the chairman one question. It is perhaps too big a work for us to go into the details of this present administration, in view of the fact that the Royal Commission is sitting?

The CHAIRMAN: I did not say that. I said that the question of the administrative set-up—it is a question of policy which is now being considered by the Royal Commission. That is quite different.

Sir EUGÈNE FISET: I accept that, Mr. Chairman, but will you inform us whether the report of the Royal Commission is going to be submitted to this committee?

The CHAIRMAN: I would think that the report of the Royal Commission would first be submitted to the government and then to the Parliament of Canada.

Sir EUGÈNE FISET: Would it be then submitted to this committee?

The CHAIRMAN: I cannot say as to that.

I do not want to shut off any other member of the committee from any discussion on what has transpired here this morning. I think it has a good effect. But if there is no one who desires to discuss the matter further, I suggest that we proceed with the routine business before the committee.

My idea is that we should print Sir Henry Thornton's statement, so that it may be read and digested by the Committee and the public, with the additions and addenda to his letter or statement, and in addition to that the contracts. That will clear the air, so far as that is concerned, and it will be, I think, a fairly safe statement of what the position ought to be.

There is just this to be said about it, that consideration should not be lost sight of the action of the present Board of Directors with Sir Henry Thornton and the modifications which have been made; and on the question of emoluments generally to higher officials, I desire to say this. We had the report of a special committee, of which Mr. Boys was chairman, Mr. Anderson, Mr. Lucien Moraud, Mr. Labelle and one or two others and Mr. Smart, the Deputy Minister. They have been dealing with that whole question of emoluments.

The Board of Directors are continuing the whole investigation, and, as far as I am concerned—and I hope I speak for the committee as a whole, or at least a majority of the committee,—I am content to see that responsibility rest right there, because I do not think that we as members of this Committee are in a position to deal with the question. I would like to make this observation, though, and I would like to say it very sincerely to Sir Henry Thornton and the members of his family group who are now around, that if there are to be cuts of 40 per cent in the salaries of lower officials, that cut cannot be limited to lower officials. Public opinion will not sustain that.

Mr. POWER: I unfortunately was not able to be here when Mr. Boys was on the stand. Has this executive committee been enquiring into details of the expenditures generally, for instance, of the travelling expenses of the officials of the road and so on?

The CHAIRMAN: Mr. Boys is here, and I would ask him to answer that question.

Mr. POWER: Mr. Boys, would you come right up here?

May I ask if the sub-committee, of which I understand you are the chairman, has been enquiring into expenditures of the officers and officials of the road in connection with travelling expenses?

Mr. BOYS: Not specially. In a general way only, just as I stated when I first appeared before the Committee. I gave my view but stated that we had not gone into that thoroughly.

There is now a sub-committee of the Directors dealing with the question of salaries, in an individual way; but as to the information being received and the necessity for the existence,—

Hon. Mr. EULER: Is there not now a small committee which passes upon the expense accounts before they are paid?

Mr. BOYS: Certainly. I do not want to repeat myself, Mr. Chairman and gentlemen, but if the members of the Committee will be kind enough to refer to the report which every member of the sub-committee signed, you will see that that feature is dealt with in it. The process has been adopted, which has not been in vogue very long, bearing in mind that we only started our duties in this connection last summer; but the method which we have set up in that connection requires every officer of this company, in the first instance, to pay his expense account and to render a detailed statement of his expense account, and reimbursement does not take place until that account has been audited.

Mr. CHAPLIN: That was the recommendation, practically, which this Committee made last year.

Mr. BOYS: Of course I was not here and do not know what was done; but that is what is being done now. In addition to that we have given the vice-president a right of appeal; his contention to us being that he had no right to sit in judgment upon officials of the company of equal jurisdiction to himself.

Mr. POWER: An appeal to whom?

Mr. BOYS: To the committee, composed as a matter of fact of the President, Mr. Ruel and Mr. Smart. I want to say to this Committee,—I do not want to repeat myself again,—I did not come to-day for the purpose of giving evidence at all. I am here attending an executive meeting, which we held yesterday and another one to-day, and naturally being interested in this discussion, I am here to-day.

If there is any question which any member wishes to ask, I would say Sir Henry Thornton has referred to the co-operation between the Board and himself. I endorse everything he has said. We have not agreed upon everything that has been presented to us; in some instances we have had our own way; in other cases we have been convinced that our course was wrong and have taken the course suggested by the management.

I want also to make one reference to what the Minister has said. Perhaps it comes appropriately from me. I have been in the House for many years and know every member of the Government very well. One would imagine that if there was any desire on the part of any member of the Government to mention any subject, it would be mentioned to me; but never, from beginning to end, has there been the slightest interference or direction on the part of anyone, Minister or anyone else. We have been left alone; and if things have not been done properly, we will take the responsibility ourselves, and have no desire to try to shift it upon anyone else.

I can assure you our desires are for one purpose, if possible, in these times of distress, to do the best we can for the Canadian National Railways.

Sometimes I see suggestions in the press that the present Board are not favourable to public ownership. I would like to take the opportunity of speak-

ing for every member of the Board as well as for myself, that 100 per cent we are in favour of public ownership. In my election in 1925 and 1926, that was one of my planks.

The work which we have been doing on this Board has not been in regard to the past, but what can we do to try and make this enterprise a success in the future. That is the task to which we are setting ourselves.

I want to thank the members of this committee for the proofs of confidence in myself and other members of the executive committee, and trust that the confidence may be ever deserved.

Mr. POWER: Are you making efforts to bring about economies in the road?

Mr. BOYS: Yes, if you take the reports of the road last year and this, the economies of over $20,000,000 a year will be shown. If you take up the papers of yesterday, you will find General Motors of Canada in the last quarter have $9,000,000; whereas in the corresponding quarter of last year they had $28,000,000 revenue.

You will realize the difficulty that this railway and every other enterprise is confronted with at the present time. You have falling revenues, and to some extent you are bound to have the expenses which have been prevailing in the past; and it takes time to bring those two items together. I am one of those who have faith in the Canadian National Railways, and I believe that with better times and better revenues and a strict process of economy, the time will come when the Canadian National Railways will be a great asset to our country.

Mr. POWER: You said a moment ago that you received all co-operation possible from Sir Henry Thornton. I would like you to say whether or not you have received the same co-operation from all the other officials of the railroad in bringing about economies.

Mr. BOYS: Absolutely. Every officer has been willing to cooperate with our committee, and I have no doubt will do so in the future.

Mr. POWER: You have had no difficulties in bringing about your investigation?

Mr. BOYS: None whatever. Furthermore, if this committee wants any enquiries made they may ask us to do it and we will do it.

The CHAIRMAN: Mr. Chaplin is an old member of this committee and a man whose opinions, as far as I am concerned, carry the very greatest weight, and I think they would with you. With that preface, may I ask you this question. Do you consider the suggestion which he has made, or have you given consideration to the suggestion which he has made, that there should be a permanent highly paid Board of Directors instead of the present Board? Perhaps it is not fair to ask you that question.

Mr. BOYS: I don't mind the question, Mr. Chairman. If anybody suggests that I am in my present position because it is remunerative, he is mistaken. After eighteen years of public life, living in a small country town, I must confess that if I have to sit there for the rest of my days, I do not know what will happen. With me this is a pleasure but not a diversion. I am not in it for the money which is in it.

If you are going to depart from the system which obtains, as the Minister has said, in many companies, it is true perhaps you would get better results from a Board that is paid for whole time service; but if you are going to do that, you will change your whole system, because the banks, the Canadian Pacific Railway and everybody else would have the present system. What would you expect the Board to do? Would you expect them to take every one of the little expense accounts and deal with it. That cannot be done.

The CHAIRMAN: Would such a change have the effect of becoming an administration by the Board instead of by the executive officers? That is my understanding of Mr. Chaplin's proposal.

Mr. Boys: I think, Mr. Chairman, if you do that, you reach this situation that the Board then becomes part of your management; and you have your management now.

I understand our duties are to consider matters of policy, and when any question arises to discuss it and deal with it,—not to deal with all the details, because that could not be done. We do not really get a chance to start any work in connection with this. I am not saying anything against anybody, but do not expect too much of us. When we came to the end of the parliamentary committee is when we got down to our work. That reached us in the summer, and then the holidays came on and we did not get down to our work until September. As far as I am concerned, I cannot begin to attend very meeting of the committee. It is true you get $40, but I have to leave home one day and attend a meeting the next day, and then go back the next day. I have tried to attend two or three meetings every month. I cannot do any better.

I believe the Board is giving good service. If you have your Board doing more, you increase the expense of management at the country's expense.

Mr. Beaubien: In regard to Mr. Chaplin's suggestion as to the Board of Directors becoming a permanent board of management, would not the Board necessarily have to be constituted of railway experts, instead of business men such as they have in the Board to-day, and would it not be a hard thing to find a Board of Directors who are capable of understanding all the technical parts of the railway.

Mr. Boys: Mr. Beaubien, my view is that it is well for the Board, as it is in the House of Commons, to have men experienced in many parts of life. You want men familiar with business, and you certainly want men familiar with railway operations, and I certainly think you want lawyers there too.

Hon. Mr. Euler: I would like to ask a question, which I hope will not be embarrassing to Mr. Boys, for whom I have the greatest respect. He has expressed an opinion on the matter, spoken of a while ago, not in regard to matters of policy and big things but with regard to investigation into smaller things like expense accounts and so on. Does he or does he not think that that might quite properly be left to a committee of the Board of Directors, rather than to members of this committee itself?

Mr. Boys: I have no hesitation whatever in answering that. I think the machinery which you have set up now should take care of it; but if, perchance, we hear of anything which is not satisfactory, as a Board we feel it our duty to investigate that particular item; but we could not do it regularly. We come down with an agenda which requires immediate attention and takes up four or five hours; but, unless we stay over for another day, we have no time for more.

Hon. Mr. Euler: With regard to the particular investigation before this committee or the sub-committee, would you have thought it a peculiar thing if this committee had, with things in that investigation, conveyed it to your Board?

Mr. Boys: Frankly, when we learned what had come before the committee last year, I would have come before it this year in connection with the expense accounts. I asked for a return myself for the five months' period since which the new method which I have mentioned has been in effect. I have got that, and if the committee had asked for it they would have had it. I thought it should not have been broadcast throughout Canada but the committee did not want it.

Hon. Mr. Euler: I am not attributing wrong motives, but as a matter of procedure, would it have been thought proper by your Board? You are the Board, after all, and if you had any feeling on these things, as a matter of propriety to the Board.

Mr. Boys: I do not care who the man or citizen is, if he knows any question which he thinks should be investigated, I am willing to look into it.

Mr. MacMillan: I might say, as far as the sub-committee is concerned, anything they have done has not been broadcast throughout the country; and anything that they have found out or think about it is still in the minds of the members of the committee, and will remain there.

Mr. Power: With respect to the salaries of the officials of the road, I am given to understand that at one of the first meetings of the committee you stated you had made an investigation into comparative salaries of other railroads. Would you be kind enough to tell us where you got your figures—from what other railroads you got your figures?

Mr. Boys: So far as railroads outside of Canada are concerned, the information came from returns made to the Interstate Commerce Commission.

Mr. Power: You had them compared with the Canadian National?

Mr. Boys: The report states that—I have not studied it sufficiently to be sure of my grounds. If you take a total number of employees with total salaries and make your average, you cannot be certain that your result gives you a true picture.

Mr. Power: How are the individual salaries in comparison with those of other railways?

Mr. Boys: The report says that we could not go into that thoroughly, but they appeared to be almost identical.

Mr. Power: Including the emoluments of the officials?

Mr. Boys: Including the officials with $5,000 or more.

Mr. McGibbon: Did you get the salaries individually, or did you take the total and divide it by the number of officials?

Mr. Boys: We got the total number of officials and the total salaries paid to those receiving $5,000 or over each. I have stated what difficulties there are in that. The information was received by me in confidence and I could not give names.

Mr. Power: Did you deal with the salaries of the individual higher officials?

Mr. Boys: We did.

Mr. Power: And it is on that you say the salaries are much the same as those on other roads.

Mr. Boys: There are other features. There is the question of the magnitude of the undertaking, and all that; and it perhaps will be appropriate for me to say this,—I am not holding any special brief for the Canadian National Railways when I say this,—I do not believe that for some years to come the Canadian National Railways can be operated at as low a rate as some other railways, for the reason that the Canadian National Railways are composed of four different railways, and three of which were built as competitive systems. They cannot be made to act as one harmonious whole. They have had to be taken care of as you find them. You have two shops of the Canadian National in Winnipeg, whereas everybody knows they only want one; the other should be near the Rocky Mountains. Every locomotive requiring repairs has to be hauled from the Pacific to Winnipeg.

There are four lines of railways between Montreal and Quebec, where the Canadian Pacific Railway has only one. We have two lines of railway to the Pacific coast, where they have one. These lines cannot be shut up. Industries and people have settled along them, and they must be kept going; and anybody who reflects for a moment even in a cursory manner must see that for those reasons it must take some years before you can so arrange matters that the Canadian National can be operated at as low a cost as the Canadian Pacific; but, on the other hand, if you examine the costs of the Canadian National Railways and the Canadian Pacific, they compare very favourably.

Mr. POWER: Would it be fair to say that the comparative mileages and so on would lead to a suspicion that there is over-mileage on the Canadian National Railways?

Mr. BOYS: Unquestionably. When you took them you could not abolish the unnecessary ones; but when you consider all the particulars, I think a great deal has been accomplished and, as far as I know, with reasonable satisfaction to the men employed.

Mr. MCGIBBON: To take the other side of it, is it not fair, when you mention duplications, to say that there are about two or three hundred million dollars of government money which is dead and always will be dead?

Mr. BOYS: Certainly. I do not suggest that that should not be considered at all.

Mr. MACMILLAN: Do you consider the question of the shipping, on the Atlantic and the Pacific, the Montreal house, the hotels, such as at Jamaica, that that money was spent in the interests of the railway?

Mr. BOYS: Of course you are getting me more or less afield, and I would speak now not as much as a Director of the Railway, in answering that question. From my little experience and with very little knowledge of the matter, perhaps all the railroads in Canada would have been better off if they had not bothered at all about outside—

Mr. MACMILLAN: I am addressing myself entirely as to our own property.

Mr. BOYS: I am not speaking as one with special knowledge, but I have some knowledge as to the results from the hotels, and there is no doubt that they are losing money.

Mr. MACMILLAN: I asked not only about hotels but about ships on the Atlantic and Pacific, about the Montreal house, and about the hotel in Jamaica. I asked you if you thought that was extravagant or was it in the best interests of the railway?

Mr. BOYS: I do not think I should confine my remarks to one railway. When you ask me if it was a wise expense to put up, say, the Royal York at Toronto or build the Empress of Britain,—I think I had better not deal with that phase of it, as it is beyond me.

Mr. MACMILLAN: I am not trying to paint a picture in connection with the Canadian Pacific Railway. They do not owe me anything and I do not owe them anything; and I have never travelled on a pass on the Canadian Pacific Railway, and I am no particular friend of the Canadian Pacific Railway. All that I am concerned with is to bring to the attention of the Directors of the Canadian National Railways that they should practice the strictest economy. Furthermore, I consider the expenditures to which I have referred were not in the interest of the railroad or of the people, and that they were extravagant.

The CHAIRMAN: I think it will be recognized by every one of us that we are trying to get out of the difficulties of the railway and of the officials of the railway, and that there must be the strictest economy. If they are not able to see the point of that, they must be dense. With respect to the hotels I am sure that they would not do it now, if they had to do it over again.

Mr. BEAUBIEN: If I had to do it over again, there is a lot of land I would not have bought.

Mr. POWER: Is there another explanation, that for reasons of policy, if not of policies, the Canadian National Railways must necessarily have two or three divisions or headquarters, one in the Maritime provinces—and I am saying that very respectfully and with all humility—one in Toronto, and two more in Western Canada, whereas the rival road can get along without so many, not having the Maritime Provinces' obsession?

The CHAIRMAN: I am not going to be drawn into that discussion.

Sir HENRY THORNTON: In connection with this hotel situation, some of the hotels which the Canadian National Railways have I found when I came here. I will say very frankly that I would be delighted if we did not own a single hotel anywhere. They give me probably as much trouble, if not more trouble, than all the rest of the railway put together. At the same time, we found this situation. We found our competitor building hotels, quite properly within their judgment, and we had more or less to meet that situation. For instance, the question of this Vancouver hotel—there had been a long controversy with the city of Vancouver with respect to a contract which had been entered into by the previous and subsidiary company under the direction of Mackenzie and Mann, and as a result of that contract, the Canadian Northern—to call it such—received certain lands and certain concessions in the city of Vancouver; and in that contract there was everything but the kitchen stove; I do not know of anything that had been left out of it which the railway company was not obliged to perform. And in an effort to soften that contract to the railway, we had been in negotiations with the city of Vancouver for some years.

One of the things which was provided for was the construction of a hotel in Vancouver. We had never built that hotel. But, to make a long story short, by agreeing to build the hotel, which is now under construction, we were able to secure an abrogation of that contract, the elimination of a good many responsibilities which the company would have been obliged to carry out and which would have run into a great deal of money. And, in the last analysis, by the construction of the hotel and the abandonment of these various things which were strictly obligations on the part of the company, the company escaped from the expenditure of a great deal of money.

Now, let me say to you, gentlemen, that I am not an hotel hound. I do not want hotels. I have got quite enough trouble on this railroad without having a lot of hotels to look after. But at the same time, some of them were here, and with respect to the Vancouver hotel we had to get out of that situation as cheaply as we could, and that is what we did.

Mr. MCGIBBON: Sir Henry, might I ask you a question just there?

Sir HENRY THORNTON: If you please, Doctor.

Mr. MCGIBBON: Going through some of the archives of the department I found a letter from the Minister of Railways, of April 19, 1920, to the authorities of Vancouver, dealing with this same thing; and he there sets out the line of policy, on condition that the Government did certain works in Vancouver, which was accepted by the Vancouver people. I will just read one paragraph here:

> I desire to take this opportunity to impress upon you that one of the clauses to be deleted from the original agreement is the one which requires the Railway Company to contract and maintain an hotel. On this particular point, I desire to be most emphatic, and to officially inform you, as I have already done publicly while in Vancouver, that under no circumstances will the Government entertain any proposal to supply the capital required for such a purpose. I desire, therefore, to have it clearly understood that discussion on this particular clause will not be permitted when the amending of the agreement is under consideration. And I further desire to have it clearly understood that my recommendation to the government for a settlement of the Champion and White difficulty will be based upon the above understanding in which the City must acquiesce.

Sir HENRY THORNTON: Who was the Minister?

Mr. MCGIBBON: Hon. Dr. Reid.

I am told that the City did acquiesce, and I should say that in the face of a letter like that which states the policy, that the railway was liberated from that obligation. And yet they have gone on and built the hotel.

Sir HENRY THORNTON: I am not aware of that letter. Anyway, I would like to call to your attention, if I may, in explanation, that in December—however that may be, I do not dispute that.

Hon. Mr. CHAPLIN: Before you explain it, let me interject, Sir Henry, that my understanding of the original agreement was that the Mackenzie and Mann people received from the city of Vancouver very valuable concessions for the entry of the railway through False Creek, and for that the agreement with the City was that a hotel should be built, but the cost of that hotel was to be three and a half million dollars; and what I would like to know, when you are making your explanation, is how it came about, in the face of an agreement with the city of Vancouver specifically stating the amount that was to be paid for a hotel, that you came to build a hotel at a cost of $10,000,000.

Sir HENRY THORNTON: In answer to that, first, I would like to say this. However that may be, with respect to the matter which Dr. McGibbon has just read, in December, 1926, the city of Vancouver commenced a legal action against the Canadian National Railways for the completion of the 1913 agreement for the construction of the hotel, and the forfeiture of the $1,500,000 bond which had been posted by Mackenzie and Mann. The position at this point may be briefly summarized as follows: In 1913, the Canadian Northern Railway agreed to build a hotel of 250 rooms. In 1920, in consideration of the railway relieving the city of a difficulty in connection with the Champion and White injunction, clause 16 requiring the construction of a hotel was to be deleted and other clauses deferred. In 1926, on April 15, the city relieved the railway of carrying out the works in clauses 12, 13, 14 and 17, that we will build a hotel in Vancouver or not less than 500 rooms at an estimated cost of not less than $3,500,000.

On August 7, 1926, an Order in Council was passed permitting the Canadian National Railways to construct an hotel in Vancouver at an estimated cost of not less than $3,500,000.

The CHAIRMAN: That is the one that was cancelled.

Sir HENRY THORNTON: My recollection of the situation is that in addition to the obligations which the railway assumed and the land and other valuable facilities which it received, there was also a very large expenditure for filling in False Creek, which ran into many hundreds of thousands of dollars. I do not happen to have the amount here, but it can be found.

At any rate the upshot of the whole thing was that in settlement of that suit, which was brought in December, 1926, we came to this arrangement with the city of Vancouver. I was advised by our legal department that the old agreement with the Canadian Northern Railway was an enforceable agreement. I am not prepared to say of my own opinion whether it was or was not; but I took the advice of the law officers of the company and they told me that that agreement was enforceable; and if enforced it would involve the company in several million dollars of expenditures.

The CHAIRMAN: There is just one little gap in your historical narrative. There was an Order in Council passed in, I think, August, 1926, and that Order in Council was cancelled after the election. We had better have the whole of the story, as it is fairly illuminating.

Sir HENRY THORNTON: Yes, I want to tell you the story. I think it was in 1926 that that election came about. At any rate, when the Conservative party at that time came into power, pending the result of the election, I discussed the

Vancouver situation with Sir Henry Drayton, who was at Ottawa more or less as Acting Prime Minister while the Prime Minister himself was engaged in election responsibilities; and I came to an agreement with him as to what should be done and how it should be done, and I am quite certain that all of the necessary authority to carry out that arrangement was made with Sir Henry Drayton and approved by the Government of that time.

The CHAIRMAN: It is all set out in the Order in Council of August, 1926?

Sir HENRY THORNTON: That is quite right. Then there came the election, and the Liberal party was restored to power, and by order in council, as I recall it, all orders in council and acts of the Conservative party were abrogated, —I am not using the exact legal terms, but that is what happened. Then we had to consider it and start all over again. That was, I think, exactly what happened, and I think it is a matter of record. I am not speaking for or against any political party.

The CHAIRMAN: I understand that. If the order in council of 1926 had been carried into effect according to the terms of it, you would have had a hotel costing $3,500,000. That order in council was in August, 1926.

Hon. Mr. EULER: That was when the so-called shadow government was in power.

The CHAIRMAN: Yes.

Sir HENRY THORNTON: I do not want to get into any political controversy at all. All I can do is to cite the record.

The CHAIRMAN: And I am seeking to put the responsibility where it belongs.

It is now after 1 o'clock, and we have had a very good session. I do not think it is possible for the Committee to meet this afternoon. In the first place, the budget has not been passed, and for one I wish to be in the Chamber; then in addition, the Minister is not able to be here himself, and I do not like to proceed in his absence.

Hon. Mr. CHAPLIN: A certain number of questions have been asked. Are the answers ready?

The CHAIRMAN: I believe they are not ready.

Sir HENRY THORNTON: They are under preparation and will be ready as quickly as possible.

The Committee adjourned to meet Thursday, April 28, at 11 o'clock, a.m.

APPENDIX

1. Agreement, dated 23rd September, 1929, between The Canadian National Railway Company and Major General Sir Henry Worth Thornton, K.B.E.

2. Agreement, dated 25th October, 1929, between His Majesty the King and Major General Sir Henry Thornton, K.B.E.

THIS AGREEMENT made this 23rd day of September A. D. 1929,

BETWEEN

The Canadian National Railway Company, hereinafter called the "National Company," of the first part: and Major-General Sir Henry Worth Thornton, K.B.E., hereinafter called the "Managing Head," of the second part:

Whereas the Managing Head has by appointment and agreement assumed the direction as Managing Head, serving in the capacity as President and Chairman, for a period of three years from the fourth day of October, 1922, of the Grand Trunk Railway Company of Canada, now the Canadian National Railway Company, the Canadian Northern Railway Company and of the various constituent and subsidiary Companies comprising the system of these respective railway companies, the Canadian Government Merchant Marine Limited, operating various steamships owned by individual companies, and of the Canadian National Railways; all being managed and operated as a National system or enterprise under the collective or descriptive designation "Canadian National Railways" pursuant to the provisions of the "Canadian National Railways' Act," together with such other works, undertakings and enterprises controlled or owned by the Government of Canada as may from time to time pursuant to the provisions of the said Act be entrusted to the same management and operation;

And Whereas the period of service as above referred to expired on the 3rd day of October 1925, and the Managing Head was duly elected President and Chairman of the National Company for a further period of five years from the date of the expiration of services as above referred to, and thereupon has by appointment and agreement assumed the direction as Managing Head, serving in like capacity as aforesaid, of the several companies, railways, works, undertakings and enterprises, as aforesaid;

And Whereas the National Company by resolution of its Board of Directors dated the 23rd day of September 1929, (copy hereto attached marked "A") has duly elected the Managing Head President and Chairman of the National Company and authorized the entering into of an agreement on the part of the National Company with the Managing Head in terms and conditions as hereinafter set out and contained and the Managing Head has agreed with the National Company to accept such election on its part and to serve in the capacity aforesaid, subject to the said terms and conditions;

Now therefore this agreement witnesseth that the parties hereto have agreed as follows:—

1. *Engagement.*—The National Company hereby agrees to employ or cause to be employed the Managing Head to services President and Chairman of the National Company and of the various constituent and subsidiary companies comprising its system, and in such capacity to serve as directing Head of any and all railways, steamships and other works, undertakings and enterprises, controlled or owned by the Government of Canada, that are now or may at any time hereafter during the continuance of this agreement be entrusted by Order of the Governor in Council to the Management and operation of the National Company, and to serve in capacity as President and Chairman of any other railway company or companies, system or systems, owned or controlled by the Government of Canada, from time to time, concurrently with the services as above, of the National Company as the latter may from time to time direct, such railway company or companies, system or systems, so electing the Managing Head.

2. *Period of Engagement.*—The period of engagement hereby entered into shall extend for five years from the fourth day of October, 1928, and thereafter from year to year subject to termination as hereinafter provided.

3. *Remuneration.*—The remuneration of the Managing Head for the full and entire services to be performed from time to time, and for the full period of employment under this agreement, shall be a fixed annual salary (irrespective of the magnitude or extent of the work or duties to be performed from time to time and without any extra fees or remuneration of any description) of Seventy-five Thousand Dollars ($75,000) per annum, payable in equal monthly instalments on or about the first day of each month but not in advance; it being understood and agreed that the monthly payments of the fixed annual salary of Seventy-five Thousand dollars ($75,000) hereunder for the period beginning the fourth day of October, 1928, and ending the third day of October, 1929, having been made immediately before the delivery of this agreement, the receipt whereof is hereby acknowledged by the Managing Head.

4. *General Duties.*—The Managing Head shall diligently and faithfully perform to the best of his skill and ability all duties that may devolve upon him by virtue of this agreement, and shall use all reasonable means to preserve, promote and extend the interests entrusted to him.

5. *Expenses.*—The Managing Head shall, subject to the by-laws, rules and regulations applicable, be entitled to be paid all reasonable out-of-pocket expenses incurred in connection with the duties of his office or offices.

6. *Termination of Agreement.*—This agreement may be terminated at any time during the period thereof upon notice in writing from the National Company to the Managing Head for or on account of malfeasance of office on the part of the Managing Head without any right or claim whatever on the part of the Managing Head for any compensation by reason or on account of any such termination; and this agreement may be terminated effective on the third day of October in any year, after the third day of October, 1933, upon twelve months' notice in writing given in advance of the date of such termination from either party hereto to the other party hereto, without right or claim on the part of either such party against the other party for any compensation by reason or on account of such termination.

7. *Supersession of Agreement Dated September 2, 1925.*—The agreement dated the second day of September, 1925, made and entered into between the National Company and the Managing Head for the employment by the former

of the latter to serve for and during the period of five years from the fourth day of October, 1925, as President and Chairman of the National Company and of the various constituent and subsidiary companies comprised in its system; and in such capacity to serve as the Directing Head of all railways, steamships and other works, undertakings and enterprises controlled or owned by the Government of Canada is hereby cancelled and superseded as and from the fourth day of October, 1928, in as full force and effect between the parties thereto as if the said agreement in the first instance under the terms thereof terminated on the third day of October, 1928.

In witness whereof the parties hereto have executed this agreement.

Signed, Sealed and Delivered by the National Company in the presence of } CANADIAN NATIONAL RAILWAY COMPANY
E. D. DECARY,
Director,
R. P. ORMSBY,
Secretary.

Signed, Sealed and Delivered by the Managing Head in the presence of R. P. ORMSBY. } H. W. THORNTON.

This agreement made at Ottawa, in the Province of Ontario, this twenty-fifth day of October, A.D., 1929:

BETWEEN:

His Majesty the King, on behalf of the Dominion of Canada, herein represented by the Honourable the Minister of Railways and Canals (acting by virtue of an Order of the Governor in Council, P.C. 2144, dated the 23rd day of October, A.D., 1929, hereinafter called "His Majesty", of the first part; and Major general Sir Henry Thornton, K.B.E., hereinafter called "the Managing Head", of the second part.

Whereas the Canadian National Railway Company pursuant to a Resolution, of the Board of Directors of the said Company, passed at a meeting of the said board of Directors held on the Twenty-third day of September, 1929, confirmed the election of the Managing Head as President and Chairman of the Canadian National Railway Company for and during the period of five years from the Fourth day of October, 1925, under a Resolution, of the Board of Directors of the said Company, passed at a meeting of the said Board of Directors held on the Second day of September, 1925, and elected the Managing Head President and Chairman of the Canadian National Railway Company for and during the period of five years from the Fourth day of October, 1928, and thereafter from year to year, subject to termination of his office as President and Chairman, aforesaid, as may, by agreement between him and the said Company, be provided for, at a fixed annual salary of Seventy-five thousand dollars ($75,000.00) for services in such capacity, including such other services as may from time to time under agreement be allotted to him;

And whereas the Canadian National Railway Company pursuant to the said Resolution, of its Board of Directors, passed at a meeting of the said Board of Directors held on the Twenty-third day of September, 1929, duly entered into an Agreement of Engagement, dated the Twenty-third day of September, 1929, an original of which agreement of Engagement is hereto attached marked "A", hereinafter referred to as the "Company's Agreement of Engagement";

And whereas His Majesty has by Order of the Governor in Council (P.C. 2144), dated the twenty-third day of October, 1929, duly approved, sanctioned and confirmed the Company's Agreement of Engagement and authorized the entering into on behalf of His Majesty with the Managing Head of a further Agreement of Engagement in terms and conditions hereinafter set out and contained and the Managing Head has agreed accordingly;

Now therefore this agreement witnesseth that the parties hereto have agreed as follows:—

1. *Engagement.*—His Majesty hereby agrees to employ or cause to be employed the Managing Head to serve and the Managing Head hereby agrees to serve, as the directing head of the Canadian National Railway Company, the Canadian Northern Railway Company and the various constituent and subsidiary companies comprising the systems of these respective companies, and of the Canadian Government Merchant Marine Limited operating various steamships owned by individual companies, together with the Canadian Government Railways and together with such other works, undertakings or enterprises as may from time to time be controlled or owned by His Majesty and may by Order in Council be placed under the same management, but excepting any works, undertakings or enterprises which may at any time be withdrawn by His Majesty by Order in Council from any such management.

2. *Period of Engagement.*—The period of engagement hereby entered into shall extend for five years from the Fourth day of October, 1928, and thereafter from year to year, subject to termination as hereinafter provided.

3. *Remuneration.*—The remuneration of the Managing Head for the full and entire services to be performed, from time to time, and for the full period of employment under this agreement, shall be a fixed annual salary (irrespective of the magnitude or extent of the work or duties to be performed from time to time and without any extra fees or remuneration of any description) of seventy-five thousand dollars ($75,000) per annum, payable monthly, but not in advance, less the annual remuneration payable monthly by the Canadian National Railway Company to and receivable by the Managing Head under the Company's Agreement of Engagement during the continuance of the said Agreement of Engagement; it being hereby understood and agreed that the monthly payments, of the fixed annual salary of seventy-five thousand dollars ($75,000), hereunder, for the period beginning the fourth day of October, 1928, and ending the third day of October, 1929, have been made immediately before the delivery of this agreement, the receipt whereof is hereby acknowledged by the Managing Head, and it being hereby further understood and hereby agreed that the monthly payments of the fixed annual salary of seventy-five thousand dollars ($75,000), hereunder, from and after the fourth day of October, 1929, shall hereafter be deferred, each, for the period of one month, the date of the monthly payment for the month ending the third day of November, 1929, being payable on or about the fourth day of the following month, the date of the final monthly payment being subject to adjustment at the end of the period of employment hereunder.

4. *General Duties.*—The Managing Head shall diligently and faithfully perform to the best of his skill and ability all the duties that may devolve upon him by virtue of this agreement and shall use all reasonable means to preserve, promote and extend the interests entrusted to him.

5. *Expenses.*—The Managing Head shall, subject to statutory or other lawfull authority, applicable, be entitled to be paid all reasonable out-of-pocket expenses incurred in connection with the duties of his office under this agree-

ment, less out-of-pocket expenses payable by the Canadian National Railway Company to and receivable by the Managing Head under the Company's Agreement of Engagement in connection with duties of office or offices thereunder performed concurrently with duties of office hereunder; it being understood and agreed that accounts of the Managing Head for out-of-pocket expenses incurred and payable in connection with duties of office or offices hereunder shall be rendered from time to time at such periods for vouchering and payment as His Majesty's Officers in control of such matters may require.

6. *Termination of Agreement.*—This agreement may be terminated at any time during the period thereof upon notice in writing from His Majesty to the Managing Head for or on account of malfeasance of office on the part of the Managing Head without any right or claim whatever on the part of the Managing Head for any compensation by reason or on account of any such termination; and this agreement may be terminated effective on the third day of October in any year after the third day of October, 1933, upon twelve months' notice in writing given in advance of the date of such termination from either party hereto to the other party hereto without any right or claim on the part of either such party against the other party for any compensation by reason or on account of such termination.

In witness whereof the parties hereto have executed this agreement the date and year first above written.

Signed, Sealed and Delivered by His Majesty in the presence of

GEO. W. YATES.

CHAS. A. DUNNING,
Minister of Railways and Canals.

J. W. PUGSLEY,
Secretary of the Department of Railways and Canals.

Signed, Sealed and Delivered by the Managing Head in the presence of

E. B. HAWKEN.

H. W. THORNTON.

HOUSE OF COMMONS, ROOM 231,

APRIL 28, 1932.

The Select Standing Committee on Railways and Shipping met at 11 a.m., Mr. Hanson presiding.

The CHAIRMAN: The first order of business, I suggest, this morning is to take up the Estimates, 1932-33, of the Canadian National Steamships and Maritime Freight Rates Act.

LOAN TO THE CANADIAN GOVERNMENT MERCHANT MARINE, LTD.

Loan to the Canadian National Steamships (Canadian Government Merchant Marine, Ltd.) repayable on demand with interest at a rate to be fixed by the Governor in Council upon such terms and conditions as the Governor in Council may determine, and to be applied in payment of:—

Deficits in operation of the Company and of the vessels under the Company's control during the year ending December 31, 1932, $440,000.

LOAN TO CANADIAN NATIONAL (WEST INDIES) STEAMSHIPS, LTD.

Loan to the Canadian National (West Indies) Steamships, Limited, repayable on demand with interest at a rate to be fixed by the Governor in Council, upon such terms and conditions as the Governor in Council may determine, and to be applied in payment of:—

Deficits in operation of the Company and of the vessels under the Company's control, during the year ending December 31, 1932, and Interest Requirements, $820,600.

I am just wondering why this estimate is headed "Canadian National Steamships and Maritime Freight Rates Act" because there is nothing on it about Maritime freight rates.

Mr. SMART: That is on the back of it.

The CHAIRMAN: Excuse me.

Is it the pleasure of the committee to take up this estimate? The total aggregates $10,128,000. I would assume that the discussion on the steamships part, at all events, would take some considerable time. I would like to say, however, that the steamship people are not here, and we could go on and pass the estimate, if it is the wish of the committee, with the distinct understanding that any question raised by this estimate is left wide open for future discussion. I make that suggestion with the idea of expediting the technical passage of the estimates.

Mr. POWER: That covers the whole of it—both sides of the sheet?

The CHAIRMAN: Yes.

Mr. DUFF: As far as the steamships are concerned, we can take that up when we take up the report?

The CHAIRMAN: Yes.

Mr. POWER: Or we can discuss it when it passes the House?

The CHAIRMAN: Yes. Have you read this?

Mr. POWER: No.

The CHAIRMAN: I am going to read it before it is passed.

Mr. HEAPS: A couple of weeks ago I discussed the question of the number of men employed over a period of years and the amount of wages paid to the men in that way.

Sir HENRY THORNTON: We have that information here and can read it at once, Mr. Heaps.

The CHAIRMAN: Shall the first item pass?

Carried.

The CHAIRMAN: Shall item 315, "Loan to Canadian National (West Indies) Steamships Limited" carry?

Carried.

The Chairman:

MARITIME FREIGHT RATES ACT

Amount required to provide for payment from time to time during the fiscal year 1932-33 of the difference, estimated by the Board of Railway Commissioners and certified by the said Board to the Minister of Railways and Canals, as and when required by him, occurring on account of the application of the Maritime Freight Rates Act, between the tariff tolls and the normal tolls (referred to in Section 9 of the said Act) on all traffic moved during 1932, under the tariffs approved, by the following companies:

CANADA AND GULF TERMINAL RAILWAY

What line is that?

Mr. FAIRWEATHER: That is not the Canadian National Railway.

The CHAIRMAN: I knew it was one of those coal and gas railways (Reading):

CANADIAN PACIFIC RAILWAY, INCLUDING: FREDERICTON AND GRAND LAKE COAL AND RAILWAY COMPANY

New Brunswick Coal and Railway Company. Cumberland Railway and Coal Co. Dominion Atlantic Railway. Maritime Coal, Railway and Power Co. Sydney and Louisburg Railway. Temiscouata Railway, $900,000.

This is the estimate made, the same as last year. I would like to ask if all this money is spent every year? Do they earn it every year, and will they earn it this year?

Sir HENRY THORNTON: That is the estimate which is made up of a good many companies.

Mr. SMART: That is spread over a good many companies. The amount paid last year was less than the estimate.

The CHAIRMAN: I understand that shows all these independent railways, outside of the National System, operating in the zone covered by the Maritime Freight Rates Act. They are audited statements?

Mr. SMART: The auditors of the Board of Railway Commissioners certify as to the amount actually taken in and the amount estimated. That is, for each one of these railroads, and on that payment is made under the Act.

Mr. POWER: Can anyone here tell us what was the amount paid to the Canadian Pacific Railway under the Maritime Freight Rates Act?

The CHAIRMAN: I was going to ask that. It could not possibly be a round figure.

Mr. POWER: Nine hundred thousand dollars seems to be pretty low, if it covers all the operations of the Canadian Pacific Railway in the Maritimes. Nine hundred thousand dollars is the amount estimated as the amount to pay all railroads. I may be wrong, but I am under the impression that the Canadian Pacific operate through New Brunswick and Nova Scotia. Would it not be more than that?

The CHAIRMAN: This does not cover C.P.R. lines in Nova Scotia.

Mr. POWER: That would cover the C.P.R. lines from Montreal, or what would correspond to Capreol to Saint John, I suppose.

The CHAIRMAN: Yes. Just at what point, Mr. Smart, on the Canadian Pacific Railway line from Saint John to Montreal does this Maritime freight rate terminate?

Mr. SMART: At the border, Vanceboro.

Mr. POWER: The border point?

Mr. SMART: Vanceboro, Maine.

The CHAIRMAN: They do not get paid for any haulage in Maine.

Mr. POWER: Do they get paid for any haulage west of Vanceboro?

Mr. SMART: Just in the border province.

The CHAIRMAN: They do not get anything at all in the foreign territory or in the Quebec part to Megantic?

Mr. SMART: No.

The CHAIRMAN: It is not their own rail, you know. The C.P.R. do not own the line between Vanceboro and Matawanock.

Mr. SMART: May I read this, Mr. Chairman?

The CHAIRMAN: Yes.

Mr. SMART: This is what it is based on:

> The following are preferred movements as referred to in section three and other sections of this Act:
>
> (*a*) Local traffic, all rail—Between points on the Eastern lines; for example, Sydney to Newcastle;
>
> (*b*) Traffic moving outward, westbound, all rail—From points on the Eastern lines westbound to points in Canada beyond the limit of the Eastern lines at Diamond Junction or Levis; for example, Moncton to Montreal—the twenty per cent reduction shall be based upon the Eastern lines proportion of the through rate or in this example upon the rate applicable from Moncton west as far as Diamond Junction or Levis.

The CHAIRMAN: That is not on the C.P.R. line?

Mr. POWER: That is on the Canadian National.

The CHAIRMAN: What does it say, what is the measure of the mileage on the C.P.R.? Have you got another copy of the statute?

Mr. SMART: No.

The CHAIRMAN: It seems to me we ought to settle this point.

Mr. POWER: It might be more easily settled if we had the figures of the amounts paid to each of the railways during the past year.

Mr. SMART: I have not got that here. It is in the Department.

> Canadian Pacific Railway including Fredericton, Grand Lake Coal and Railway Company and New Brunswick Coal and Railway Company, $233,730.52.

Mr. POWER: That includes the two roads operated by the C.P.R.?

The CHAIRMAN: Yes. One is a subsidiary and the other is leased from the government of New Brunswick.

Mr. SMART: The Cumberland Railway and Coal Company, $26,499.97; Dominion Atlantic Railway, $188,121.05; Maritime Coal, Railway and Power Company, $19,497. Quebec Oriental Railway did not draw any last year. Sydney and Louisburg Railway, $177,125.42; Temiscouata Railway, $21,096.37. Making a total of $669,673.20.

Mr. POWER: Would you read what is the amount for the Canada and Gulf Terminal, the first one mentioned in the list?

Mr. SMART: $3,602.87.

Mr. POWER: You made some reference to the Quebec Oriental Railway not receiving anything this year.

Mr. SMART: That will now be included in the Canadian National, as also the Atlantic, Quebec and Western. Those are the two Gaspe lines?

Mr. POWER: Yes.

The CHAIRMAN: I must say I cannot find the jurisdiction in the statute, for the moment, for payment of this; but no doubt it is all right. Perhaps Mr. Fairweather of the Railway staff will give us the section under which this money is paid.

Are there any other questions which ought to be asked in this connection?

Mr. POWER: I am so surprised at the other railroads receiving so little under the Maritime Freight Rates Act, that I am wondering whether there are not some other items to cover it.

The CHAIRMAN: I do not know. I would like to point out that the mileage of the Canadian Pacific Railway in this select area, as it is called, is very small. It is about 90 miles.

Mr. POWER: From Montreal to Saint John, then from Digby to Halifax. What was the D.A.R.?

Mr. SMART: $19,497.

Mr. POWER: How do this year's figures compare with last year's figures?

Mr. SMART (Reading):

	Calendar Year 1930	Calendar Year 1931
Atlantic, Quebec and Western Railway		
Canada and Gulf Terminal Railway	$ 6,965 48	$ 3,602 87
C.P.R., including Fredericton, Grand Lake Coal and Railway Co. and New Brunswick Coal and Railway Company	285,888 82	233,730 52
Cumberland Railway and Coal Company	32,542 95	26,499 97
Dominion Atlantic Railway	241,029 85	188,121 05
Maritime Coal Railway and Power Company	20,370 51	19,497 00
Quebec Oriental Railway, Sydney and Louisburg Railway	242,328 44	177,125 42
Temiscouata Railway	32,068 80	21,096 37
Total, Railways other than Canadian National	$ 861,194 85	$ 669,673 20

The CHAIRMAN: Gentlemen, the authority for the payment to these lines is contained in section 9 of the Maritime Freight Rates Act, subsection 3.

I would like to ask the Deputy Minister if the Board of Railway Commissioners are charged with the responsibility of auditing the accounts and the claims for payment.

Mr. SMART: Yes, they are; and they are certified to the Minister of Railways.

The CHAIRMAN: And parliament has said that is enough, under this statute.

Mr. SMART: Yes.

The CHAIRMAN: (Reading):

> Amount required to provide for the payment from time to time to the Canadian National Railway Company of the deficit in receipts and revenues, occurring in the year 1932, of the Eastern Lines, as provided by the Maritime Freight Rates Act:—
>
> (*a*) Amount of the deficit (less that amount thereof as in the next following paragraph specifically provided for) in the receipts and revenues, $6,217,400.
>
> (*b*) Amount of the deficit in receipts and revenues occurring on account of the reduction in tolls under the application of the Maritime Freight Rates Act, $1,750,000.

Is this the usual form?

Mr. SMART: Yes, sir, that is exactly the way we did it.

Mr. POWER: In the case of the other roads, as I understand it, we pay the difference between the freight rates which existed at the time of the coming into force of the Maritime Freight Rates Act and the preferred rate?

The CHAIRMAN: Yes.

Mr. POWER: In the case of the Canadian National Railways, we simply pay all the deficit?

Hon. Mr. MANION: Yes.

Mr. POWER: We do not take into consideration the 10 per cent reduction?

Mr. SMART: Simply the deficit is split in two, what you would get if the Maritime Freight Rates Act were not in effect and this amount.

Hon. Mr. MANION: As a matter of fact they take in the 20 per cent and count it as their ordinary revenue, and then we have to pay the deficit.

The CHAIRMAN: As a matter of fact the deficit on Eastern lines was the total of $857,000.

Mr. POWER: You are wrong there.

The CHAIRMAN: Yes, I am all wrong there.

Mr. POWER: What is the mileage of the C.N.R. to which this Maritime Freight Rates Act applies?

Mr. SMART: Everything east of Diamond Junction.

The CHAIRMAN: What is the mileage, approximately?

Mr. FAIRWEATHER: 3,342 miles of Canadian National miles.

Mr. POWER: That is the same distance or mileage to which the $6,000,000 operating deficit applies?

Mr. FAIRWEATHER: Yes.

The CHAIRMAN: The total is $8,867,000, of which $1,750,000 is the contribution under the 10 per cent.

Mr. POWER: The total loss is only $6,217,000?

The CHAIRMAN: After the 20 per cent.

Mr. POWER: You would not take that $900,000 mentioned above as a loss on the other railroads?

The CHAIRMAN: No, it may be a profit.

Mr. POWER: That is we give $1,750,000 as a subsidy and we absorb a loss of $6,217,000?

The CHAIRMAN: Yes. The memorandum which has been distributed as Exhibit A, should go into the record along with the estimate, for the convenience of those who want to study it.

CANADIAN NATIONAL RAILWAYS

EASTERN LINES

Financial Requirements to be Provided for in the Estimates of The Department of Railways and Canals, For the Year ending December 31st, 1932.

Operating Revenues	$21,476,000 00
Operating Expenses	25,060,000 00
Net Operating Deficit	$ 3,584,000 00
Other Income Debits and Credits—Net	2,257,859 78
Net Income Deficit before Fixed Charges	$ 5,481,859 78
Interest on Funded Debt due Public—Exhibit "A"	360,665 22
	$ 6,202,525 00
Profit and Loss Debits or Credits—Net	14,875 00
	$ 6,217,400 00
Interest on Dominion Government Advances	626,413 00
Estimated Net Change in Profit and Loss during Year	$ 6,843,813 00
Estimated Net Change in Profit and Loss, as shown above	$ 6,843,813 00
Deduct: Interest on Dominion Government Advances	626,413 00
Deficit in Net Income due to other than Statutory Causes	$ 6,217,400 00
Contribution under the Maritime Freight Rates Act, 1927	1,750,000 00
Net Financial Requirements	$ 7,967,400 00

EXHIBIT "A"

CANADIAN NATIONAL RAILWAYS

EASTERN LINES

Estimated Interest Requirements for the Year Ended, December 31st, 1932.

Name of Security	Issuing Company	Date of Maturity	Estimated Principal Outstanding Dec. 31, 1932	Estimated Interest Accruals Year Ending Dec. 31, 1932
			$ cts.	$ cts.
3½% First Mortgage Gold Bonds	H. & S.W. Ry.	Sept. 30, 1942	4,447,000 00	155,645 00
4% Debenture Stock	St. J. & Q. Ry.	1962	2,727,977 40	109,119 10
5% St. John and Quebec Ry. indebtedness		Various to 1958	1,814,022 60	95,901 12
Total			8,989,000 00	360,665 22

The CHAIRMAN: Shall these two items be reported to the House? Carried. Now Mr. Heaps, what was your question?

Mr. HEAPS: I thought that we might be given the information in regard to the number of men employed.

Sir HENRY THORNTON: I think the first question to which Mr. Heaps refers is the list showing the number of men employed by the railway during the last five years, and the amount paid in wages during the same period. I shall file this. Would you like me to read it?

Mr. HEAPS: I would.

Sir HENRY THORNTON: The first figure I shall give you in each of those successive years, is the figure which represents the average number of men

employed, and the second figure represents the total wages. In 1927, 106,196 men, total wages $163,712,099; 1928, the average number of men 110,156, total wages $173,264,215; 1929, average number of men 111,383, wages $177,037,682; 1930 the average number of men employed 101,046, wages $159,980,994; 1931 the average number of men employed 91,416, total wages $139,784,630.

Mr. HEAPS: Does that include all employees of the railways?

Sir HENRY THORNTON: That includes all the railways, on the whole of the system.

Mr. HEAPS: Including all salaried officials?

Sir HENRY THORNTON: Yes, everything, all employees.

Hon. Mr. ROGERS: Have any increases in freight rates taken place in the last year?

Sir HENRY THORNTON: No Mr. Rogers, none the last year.

Mr. HEAPS: I understand, Mr. Chairman, sometimes there is a division between the salaried employees and the men whom you might call the mechanical staff. You might not have the division at this time.

The CHAIRMAN: No. I think the questions are answered just as they have been asked.

Mr. HEAPS: Yes.

The CHAIRMAN: They have not got the division for that.

Sir HENRY THORNTON: That information is filed with the Dominion Bureau of Statistics.

The CHAIRMAN: Is it divided there?

Sir HENRY THORNTON: Yes.

The CHAIRMAN: I am informed that information may be obtained from the Bureau of Statistics, and it is divided there.

Hon. Mr. EULER: How many men were employed on the Canadian National Lines in 1928 and how many are employed now?

The CHAIRMAN: He has just given that.

Hon. Mr. EULER: I missed that.

The CHAIRMAN: In 1928 the total number of men employed was 110,156; in 1931, 91,416.

Hon. Mr. EULER: What is the lowest?

The CHAIRMAN: 91,416.

Hon. Mr. MANION: Twenty thousand less.

Sir HENRY THORNTON: Mr. MacMillan asked this question: for the years 1930 and 1931 the amount of wages paid, the amount charged to capital account, and operating account. This statement includes the Eastern lines, the Central Vermont Railway, and the Grand Trunk Western, the whole inclusive system. In 1930, the wages paid were $159,980,994, of which amount there was charged to operating expenses $143,347,981. There was charged to capital and other accounts $16,633,013. In 1931 the total wages paid were $139,784,630, of which amount there was charged to operating expenses $126,950,842. There was charged to capital account $12,833,788.

Hon. Mr. MANION: In order to get the record straight, perhaps I might ask a couple of questions to bring out the information. The decrease of 20,000 men, I suppose, is largely due to decrease in business.

Sir HENRY THORNTON: Probably that represents the larger factor, although at the same time as everybody is aware, every effort has been made to economize and keep down expenses; but necessarily on a railroad the number of men em-

ployed fluctuates as the function of the business done, the amount of traffic moving.

Hon. Mr. MANION: I thought we should have the figures to illustrate the decrease in business. The figures for 1928 as compared with 1931 show a difference of $104,000,000, 1928 being $104,000,000 higher, on the gross earnings over the whole system, as compared with 1931, which pretty much shows the decrease in business, causing the decrease in numbers of men. I just brought that out because I thought the two figures might be put in together.

Mr. HEAPS: There was a bigger decrease in 1931.

Hon. Mr. MANION: They are still going down.

The CHAIRMAN: Sir Henry, in relation to those figures you have given in answer to Mr. MacMillan's question for the years 1930 and 1931, a very substantial proportion of this is charged to capital account, capital and other accounts. What are the other accounts, in the first place?

Sir HENRY THORNTON: Grade separation work and things of that sort in municipalities.

The CHAIRMAN: That is charged and paid out of another fund, we will say.

Sir HENRY THORNTON: My understanding is—

Mr. MCLAREN: The railways in the first place pay out the expenses, and then make a collection from the government account grade crossing funds and from other—

The CHAIRMAN: From the municipalities?

Mr. MCLAREN: From municipalities and other companies.

The CHAIRMAN: Supposing the railway commission orders a level crossing be abolished and overhead or underground substituted, which costs a large sum of money, and it is on capital expense. You get a contribution from the grade crossing fund, which is a Dominion Government contribution. The railway commission orders the municipality to pay a proportionate amount, which may be one third, depending on the order. Then, there is a balance which is taken up by the railways themselves.

Mr. MCLAREN: Yes. You see, in the course of grade crossing work, the work may be done by the Canadian National Railways, and we pay the initial expenses. Then, on the distribution, in the order of the commission, we make the collections from the C.P.R. or other roads and part from the grade crossing fund.

The CHAIRMAN: You would not charge in the permanent capital account the total of $16,000,000?

Mr. MCLAREN: No, only our own proportion.

Hon. Mr. EULER. Have any grade crossings been charged to unemployment funds in the last year?

Hon. Mr. MANION: May I answer that? There has been some money given by the Government out of the unemployment relief fund to the Board of Railway Commissioners, and the board allocated that and spent it, on the different grade crossings which they decided should be done. But the railways did not get any money in that way. The money was given by the Government out of the unemployment relief fund, to the Board of Railway Commissioners, and they handled it in the usual way.

Mr. MACMILLAN: I do not think that quite answers my question. This is the question in the record, which I directed to Mr. Hungerford, who was here on that day: "Can you tell me, Mr. Hungerford, if in the years 1930 and 1931 the shopmen were employed reconstructing cars, and that sort of thing, engines and so on, and what portion of their wages was charged to capital account and operating account."

The CHAIRMAN: I did not understand that this is an answer to that question; is it?

Mr. MACMILLAN: I think so.

The CHAIRMAN: Did you ask this question?

Mr. MACMILLAN: No.

The CHAIRMAN: Let us get the record. What day did you ask that, Mr. MacMillan?

Mr. MACMILLAN: It will be found in No. 3 of the Minutes of Proceedings and Evidence, page 32.

> The CHAIRMAN (Reading): Mr. MacMillan: Can you tell me Mr. Hungerford, if in the years 1930 and 1931 the shop men were employed reconstructing cars and that sort of thing, engines and so on, and what portion of their wages was charged to capital account and operating account?

You were just asking this to be segregated to the shopmen. Your question was directed only to the shopmen?

Mr. MACMILLAN: Directly in connection with reconstruction of engines and equipment, and Mr. Hungerford said that that was a matter in which there were well defined rules.

The CHAIRMAN: Yes. That was his answer, as I recall it.

Sir HENRY THORNTON: Have we answered Mr. MacMillan's question or not?

The CHAIRMAN: If you look at page 33, I think you will find that there is a misapprehension. Mr. MacMillan starts out with a concrete question such as he outlined on page 32, and then following a conversation, we find this question appearing on page 33:

> For the years 1930 and 1931, the amounts of wages paid, the amounts charged to capital and operating account.

Now, that has been, I think, misinterpreted. What he wanted was referable to his previous question. Perhaps you can get that.

Sir HENRY THORNTON: I have got it here, Mr. MacMillan.

The CHAIRMAN: Let us have it on record.

Sir HENRY THORNTON: I shall ask Mr. Fairweather to read it.

Mr. FAIRWEATHER: The year 1930, the average number of employees in main shops, the compensation paid divided between capital and other accounts. 1930, 11,432 employees, paid chargeable to capital account, $848,744.55.

Mr. HEAPS: Which shops do you call main shops?

Mr. FAIRWEATHER: They would be the shops at which our main repairs are done; Fort Rouge, Transcona, Stratford, Leaside, Montreal, St. Malo and Moncton.

Mr. MACMILLAN: London?

Mr. FAIRWEATHER: London, and Battle Creek in the United States, and Port Huron. The amount chargeable to other accounts was $16,075,055.62. In 1931 the average number of employees was 11,153, charged to capital account $955,474.86; charged to operating account, $14,191,462.18.

Mr. MACMILLAN: What is meant by other accounts.

Mr. FAIRWEATHER: Well, it is almost entirely what is chargeable to operating account.

Mr. MACMILLAN: What does it consist of?

Mr. FAIRWEATHER: Almost entirely maintenance of equipment, but there would be, technically, a distinction with other accounts, but practically speaking, it is almost entirely maintenance of locomotives and maintenance of cars.

The CHAIRMAN: What is the amount of capital charged?

Mr. FAIRWEATHER: The amount chargeable to capital account? This is, mind you, only employees' compensation in the main shops.

The CHAIRMAN: That is all he is asking for.

Mr. FAIRWEATHER: $848,000 in 1930, and $915,000 in 1931.

Mr. GEARY: Who determines what is capital and what portion?

Mr. FAIRWEATHER: That is determined by the railroad classification of accounts set up initially by the Interstate Commerce Commission of the United States, and adopted by our own railway regulating authorities. It is, in the first place, determined by the officials of the company, and is afterwards audited by the independent auditor, George A. Touche and Company.

Mr. GEARY: By the I.C.C. account?

Mr. FAIRWEATHER: Strictly according to the I.C.C. classification.

The CHAIRMAN: Checked first by the company's auditor?

Mr. FAIRWEATHER: Checked by the company's auditor.

The CHAIRMAN: That is for all shops.

Mr. FAIRWEATHER: Main shops.

Sir HENRY THORNTON: Mr. MacMillan asked this question—I don't remember the date, but the question was asked, and it was this—the cost of printing the Canadian National magazine, the number of copies, the revenue, and if it is distributed free, the date on which they discontinued distributing it free. The answer is: the cost of publishing the Canadian National Magazine in 1931, was: expenses $105,996.39; revenue $63,188.40; net cost $42,807.99. The number of copies issued was 1,036,150. Free distribution was discontinued with the April, 1932, issue. Due to the discontinuance of the free distribution, the net cost in 1932 is estimated at $5,000. It is anticipated in 1932, the Canadian National Magazine will be on a self-sustained basis.

Mr. MACMILLAN: What do the figures of cost include?

Sir HENRY THORNTON: Mr. MacMillan wants to know in a general way the details of what is included in the costs.

The CHAIRMAN: In the $105,000.

Mr. MACMILLAN: Yes.

Mr. MACLAREN: Chief costs would be the printing of the magazine.

The CHAIRMAN: Where is it printed?

Mr. MACLAREN: At the Saturday Night in Toronto.

The CHAIRMAN: By contract?

Mr. MACMILLAN: I understand that is the chief cost, but if that magazine were produced by some concern in the magazine business, who would have all the clerical assistance to do the work—

Sir HENRY THORNTON: We can get all that, Mr. MacMillan.

Mr. MACMILLAN: I understand you have a publicity department in connection with your railway? I suppose that department is responsible for the editing and getting out of the magazine.

Sir HENRY THORNTON: That is true.

Mr. MACMILLAN: Is any part of their expenses charged to the magazine?

Sir HENRY THORNTON: Yes; there is a proportion charged. We can get you that, if you wish it analyzed.

The CHAIRMAN: I should like to have a distribution of the costs. I have, for instance, some strong opinions about this matter myself. I think it is a

useless expenditure as far as I am concerned; that is only my own private opinion.

Mr. MacMillan: I would like to have the cost of the thing in 1929 and 1930.

The Chairman: They can give you that.

Sir Henry Thornton: Let us make sure we understand your question so we can answer it. Mr. MacMillan you would like to have the cost of the magazine in 1928, 1929 and 1930. Well, we have it here. Will you just read those figures for those years, Mr. Fairweather?

Mr. Fairweather: In 1928 the revenues were $65,200.48; expenditures were $109,313.19; the net cost was $44,112.71. The number printed was 1,055,388, and the average cost per copy was 4·2 cents. In 1929 the revenues were $84,837.50; expenses $118,572.18 and the net cost was $33.734.68. The number of magazines printed was 1,104,000, and the cost per copy was 3.1 cents.

The Chairman: That is for 1929. You have not given 1930 and 1931.

Mr. Fairweather: You want 1930. $86,939.65; expenses $119,527.20; net cost $32,587.55. The number of magazines printed was 1,065,100, the average cost per copy 3.1 cents.

Hon. Mr. Manion: Have you the figure for the total publicity costs for the whole road in 1931?

Sir Henry Thornton: We can get it, doctor.

Hon. Mr. Manion: I wish you would put it on record. I have a statement here showing the publicity costs, which I think was put in the record last year. It shows the publicity costs for the year 1930 at $1,452,489.26, and for 1929 $1,429,390.94. I think that was on the record last year. At any rate, I would like you to put it on the record this year, the publicity costs for 1929, 1930, and 1931, or as many years back as you wish.

The Chairman: Does that include advertising?

Sir Henry Thornton: It includes advertising.

Hon. Mr. Manion: Yes, it includes advertising.

Sir Henry Thornton: The printing of time tables and all matters which go to the public.

Hon. Mr. Manion: You may put it in the form in which you gave it to me last year. I thought that was on the record last year, but I am not sure.

Sir Henry Thornton: You would like that?

Hon. Mr. Manion: The same type of statement.

Sir Henry Thornton: For last year?

Hon. Mr. Manion: Put it on the record as you have it there. Give it to us for three or four years.

The Chairman: Let us have 1929, 1930 and 1931.

Mr. MacMillan: Under the heading of Publicity Department, does it include transportation given to newspapermen?

Mr. McLaren: Possibly this will give Mr. MacMillan the information he is asking for. I have it for the years 1930 and 1931. The cost of printing the magazine for the year 1931 was $77,561.12; 1930, $86,516.18; salaries, expenses, commission, etc., $18,440; 1930, $20,068, other expenses, $9,994. For the year 1930, $12,942. The total expenses of 1931, $105,996; the year 1930, $119,527.

Sir Henry Thornton: Do I understand, Mr. MacMillan, that you would like to have that information from the year 1928 to 1931 inclusive? That you would like not only the information which has already been given, but an analysis of the expenses. Do I understand you correctly?

Mr. MacMillan: Yes, that is right, Sir Henry. To go into the picture of the costs of the publicity department—

Sir Henry Thornton: That is outside of the magazine. I just want to get the question straight, so that I can get an intelligent answer for you.

The Chairman: Then why, Sir Henry, is the cost of the New York office rated along with the publicity department. That is a transportation office.

Sir Henry Thornton: I should like to answer that question, as it came up—

Mr. McGibbon: Before you get away from publicity, I should like to ask if that total includes the cost of advertising for the purpose of securing traffic, the pay of advertising agents, and so on, and if it includes the employees connected with other work in this country or Europe, because the figures I got total very much more than that.

Hon. Mr. Manion: Those are the ones I gave?

Mr. McGibbon: Yes, but the figures I have total something over $2,300,000. It seems that all the answers to the question depend on how specifically you ask them. Unless you give a categorical and detailed question, you do not get the total costs.

Sir Henry Thornton: We try, I think, to answer the questions just as honestly and with as much sincerity as we can. Now, if there is any additional information wanted, or anything of that sort, we shall be only too glad to have it furnished.

Mr. McGibbon: When you were asked for the total cost of advertising, that ought to be enough, without having to specify all the different things that go into it to make up the total.

Hon. Mr. Manion: This is the list I gave here. It gives a list of 37 different items, adding up to the total which I gave. Whether it includes all of that amount or not, I do not know, but this is a statement that was given me last year by the railway, and I thought it was put on the record. I remember some of it came out in this committee, and I thought it all did.

Sir Henry Thornton: Now, I want to make sure I understand these various questions. I understand what the Minister wants.

The Chairman: Dr. McGibbon suggests this is not a complete picture of the publicity last year. The figure he mentioned ran over $2,000,000.

Hon. Dr. Manion: This statement is headed "advertising expenses 1930, 1929, comparative system, including eastern lines."

The Chairman: Covering the Central Vermont?

Hon. Mr. Manion: Being the sum of $27,000 odd for that road.

Sir Henry Thornton: What is the total?

Hon. Mr. Manion: For 1929?

Sir Henry Thornton: 1930.

Hon. Mr. Manion: $1,452,489.26.

Sir Henry Thornton: We have that statement here. That statement you have does not include steamships. It is the railway statement. We issue one for both.

Hon. Mr. Manion: I thought you might put it in separately.

Mr. McGibbon: The figures I got from the Bureau of Statistics for the year 1930, for instance, are headed "Advertising Expenses (Acct. 363)." For the year 1930 the advertising expenses were $1,669,150.87, and industrial and immigration bureau, account 356 for the same year, $670,395.77. Putting those two together, it amounts to $2,369,546.64.

The CHAIRMAN: Doctor, would you just designate those two accounts again?

Mr. MCGIBBON: The first account is headed "Advertising expenses (acct. 353), 1930, $1,699,150.87."

The second account is headed "Industrial and Immigration Bureaus, (acct. 356) 1930, $670,395.77."

The CHAIRMAN: These two items total over $2,000,000. They are not included in this other, because we have nothing comparable to that analysis.

Sir HENRY THORNTON: I will give you those figures, which may perhaps, clear the situation. In 1930 the total expenditure included in the advertising budget was $2,106,730.79, divided as follows: Traffic, $1,426,233.28; hotels, $69,513.20; Canadian National Steamships, $103,315.90; radio, $420,028.17; navigation and electric lines in Ontario, $12,338.66; telegraphs, $22,073.48; express, $13,348; colonization and natural resources, $40,880.10; totalling $2,106,730.79.

In 1931 the total advertising expense of the items I have mentioned above, including the items I have mentioned above, amounted to $1,565,320.06; of which $1,050,000 was on account of traffic; $75,000 on account of hotels; $60,000 on account of Canadian National Steamships; $325,000 on account of radio; $12,500 on account of navigation and electric lines in Ontario; $26,400 on account of telegraphs; and $9,100.06 on account of colonization and natural resources.

The budget for this year, which it is proposed to follow, is on account of traffic, $697,800; on account of hotels, $48,800; on account of Canadian National Steamships, $99,097; radio, $114,000; navigation and electric lines in Ontario, $9,512.50; telegraphs, $13,500; express, $7,920; colonization and natural resources, $7,700; aggregating in total, $998,329.50. That is to say a reduction from $2,106,730.79 in 1930, to practically $1,000,000 in 1932.

Mr. MACMILLAN: There are such items as hotels and travelling expenses and that sort of thing. Is that a section of the general travelling expense account, a redistribution of it into different departments?

Sir HENRY THORNTON: That is an accounting matter. Can you answer that, Mr. McLaren?

Mr. MCLAREN: I do not know that I got Mr. MacMillan's question correctly. I might say, as far as the hotel expenses are concerned, it is divided into primary accounts, possibly 30 or 35; that is taken into the railway accounts; that is the result of the operations is reflected in income accounts, miscellaneous hotel operations.

Mr. MACMILLAN: I think I can elaborate my question a little better. Perhaps it was a bit ambiguous. This item of $2,000,000 which was spoken of yesterday as officials' travelling expenses, I think Sir Henry dealt with it yesterday. Would there be a distribution of that among departments?

Mr. MCLAREN: Oh, yes.

Sir HENRY THORNTON: Would there be any of that in this statement?

Mr. MCLAREN: Yes, there would be.

The CHAIRMAN: If I followed your figures correctly, and I do not know that I did, your budget for publicity including advertising ran over $2,000,000 in a given year, and it is now down to less than $1,000,000 in round figures.

Sir HENRY THORNTON: That is correct.

The CHAIRMAN: What about your overhead in that sum? Is that cut comparatively? Because, according to the figures I have received, this department is top-heavy.

Sir HENRY THORNTON: We have reduced the overhead expenses in various ways, but after all I think it must be remembered that probably in times of depression, and when efforts are being put forth to economize and methods are to be found to economize, it requires just as much overhead, and probably more brains and more anxiety and more vigilance, which can only be exercised by supervising officers, than in times of great prosperity.

Hon. Mr. MANION: How would that decrease of a million be made up, Sir Henry?

The CHAIRMAN: Just before you come to that, if the Doctor will allow me, that sounds very fine to me, but I will venture to say that there is no industrial concern in this country which is following that practice, and that overheads are the one thing that have been cut. I am coming down to a concrete instance. You have a director of publicity in this railway who is drawing down, I venture to say, as high a salary, if not higher, than any editor-in-chief in any daily paper in Canada. I would like to know how you justify that.

Sir HENRY THORNTON: To answer, first, specifically, the question raised by the Chairman. I do not know myself what the compensation may be for editors, and so I am not in any position to draw any comparisons. I can only say with respect to the administration of the publicity department that so far as I am able to judge we are not paying an amount greater than is paid on other railways for a similar kind of service.

Now it happens that in all industrial organizations, and in railways also, it is necessary to have a publicity department, particularly with respect to the Canadian National Railways System, because, after all, the Canadian National Railway is relatively an infant in the railway world, in point of years.

Hon. Mr. MANION: Enfant terrible.

Sir HENRY THORNTON: As somebody said last night, the little barefooted urchin grows up to be a statesman. You never can tell what will happen.

Hon. Mr. MANION: A very good comeback.

Sir HENRY THORNTON: I remember very well that in 1923 the Canadian National Railway System was relatively unknown outside of Canada, and frequently, and in fact more often than not, it was confused with the Canadian Pacific. I have had people ask me whether I was in charge of the Canadian Pacific or the Canadian National, and did the Canadian National own the Canadian Pacific, or did the Canadian Pacific own the Canadian National. And the majority of people in the United States,—from which we draw the bulk of our tourist traffic,—when they came to travel in Canada, automatically selected the Canadian Pacific because they had heard of that railway and knew of it largely, through the decades of its existence, through the advertising and publicity which it had put out. And we were like any new enterprise that broke into a new field; we had to establish our existence and the character of our services and what we had to offer in the minds of a vast number of people who would become prospective passengers, prospective clients, and prospective shippers.

Now, in time, as an industry establishes itself and proves the quality of its goods through purchase by clients, it is in a preferred position with respect to an entirely new industry which enters the field. So that in the initial stages of the existence of the consolidated Canadian National Railway System, if we were going to get our share of the traffic, we had to go out after that traffic and we had to make it clear to clients of all sorts just what the Canadian National Railway System was, what its facilities were, and what it could offer.

If we had pursued any other policy, I think, we would by no means have got the traffic patronage that we have got. And, in advertising the Canadian National Railway System, we were advertising Canada. That, briefly, is the situation.

This whole question of advertising is not a thing that can be answered lightly or dismissed with a word one way or the other. In that I mean to indicate that nobody has such a desire; but we all do know that industrial corporations and those enterprises which have for their object the sale of a commodity or a product of a service to the world as a whole have got to get their wares before the public and have got to advertise. And it runs in my memory that the relation of our publicity expenses to our gross revenue is not excessive with respect to those same percentages on other railroads.

What you do and how far you go is a matter of judgment, it is a matter of business experience, a matter of experience in the transportation business itself; just as a soap manufacturer has to decide how much money he is going to expend to get his soap on the market and get it known; and it cannot be anything but a matter of judgment.

In view of the situation that confronted us this year, in view of the lesser number of prospective patrons and clients, which again is the result of depression, we felt that we must reduce our advertising expenses; and we have so done; but to handle intelligently an advertising proposition requires experience in advertising and requires brains. It cannot be left to a junior clerk or an office boy or those who have insufficient knowledge of the business. And all of these matters, this particular thing to which we refer here and the subjects which have been brought up, have been discussed and considered by the directors and myself and the officers of the company.

Hon. Mr. MANION: Could you give the details, Sir Henry? You say you have reduced these expenses by a million, could you give in general the details of which it is made up?

Sir HENRY THORNTON: I do not think I could right off.

Hon. Mr. MANION: Have you the number of the personnel? What was the number last year and what is the number this year?

Mr. FAIRWEATHER: The reduction in employees January 31, 1931, to August 31, 1931, amounted to 41; subsequently to September 1, 1931, a reduction of 43; a total of 84.

Hon. Mr. MANION: Out of how many?

Mr. FAIRWEATHER: I have not the statement in my hands of just how many that quota was.

Sir HENRY THORNTON: You can get that.

The CHAIRMAN: If I follow you, this matter of publicity is a substantial matter of policy, and you have given us your view upon it.

Sir HENRY THORNTON: Yes.

The CHAIRMAN: If I follow you, you have not substantially reduced your overhead in this department?

Sir HENRY THORNTON: Oh, yes. Mind you, Mr. Chairman, you asked me a good many questions which I cannot answer offhand.

Mr. FAIRWEATHER: The total number of employees at the end of 1930 was 180 in the general publicity department. That stands to-day at 71.

The CHAIRMAN: That is some improvement. Are there any further questions at this moment arising out of this?

Sir HENRY THORNTON: I am not sure whether I have all the questions down which these gentlemen want, but I have a memorandum.

Hon. Mr. MANION: They appear in the record, and you can get them from the clerk.

The CHAIRMAN: Are there any further questions along that line?

Mr. GEARY: Do you include in the advertising the cost of time-tables?

Sir HENRY THORNTON: Yes. Of course there are a large number of time-tables purchased and a large number distributed. Incidentally, it is very interesting to note that in England, as I recall it, a small charge is made for time-tables; and the practice, of course, is an advantageous one, if you could get it established. The universal custom on the North American continent, I think, without any exception at all, is to furnish time-tables free; and because they are free they are very often taken by people who really do not need them. Some take them as a matter of curiosity, and throw them away; others take them and do not even look at them at all. But on the North American continent we have not been able to establish the practice of charging for time-tables, and I doubt very much if it could be established now.

Hon. Mr. EULER: I would like to ask Sir Henry's opinion on this matter of advertising. At a time when it is very difficult to get traffic, does he think that is a time to lessen efforts by way of advertising?

Sir HENRY THORNTON: The way to answer that question, Mr. Euler, is this. Obviously, when traffic begins to fall off for various reasons, it is a good policy to redouble your efforts in the hope that you can retain a larger proportion or secure a larger proportion from competitors. And when I say "competitors" I am not at all speaking of competition in Canada as between the Canadian National and the Canadian Pacific Railway. We compete to a very considerable degree with respect to traffic between New York and Chicago, by way of our lines through the peninsula of Ontario and the Grand Trunk Western; and we come in direct competition with the Michigan Central and other railways that provide two routes through Canada between New York and Chicago. As I say, when business falls off we redouble our efforts to retain what we have and we get more. That is a perfectly sound principle to follow up to a point, and it is not susceptible to any precise formula, it is a matter of judgment as to just how far in falling traffic that sort of a policy is justifiable; and finally you get to a point which, I think, to some extent if not entirely, we have reached to-day, when there is not any business to be got by any kind of advertising and publicity. In other words, there is no good spending money to try to get something which does not exist. As long as it exists, you are perfectly justified in trying to get it. Our feeling has been that the situation generally on the North American continent is such that there is not anything to be gained by increasing advertising expenses; therefore we have felt that, in accordance with our judgment, we should reduce it to the figures which have been given.

Hon. Mr. EULER: I was not suggesting it should not be increased, but I thought there was a point beyond which you should not go in reduction.

Sir HENRY THORNTON: The question of judgment enters into it so completely.

Mr. GEARY: What percentage of cost is your advertising?

Mr. FAIRWEATHER: The percentage of the operating costs?

Sir HENRY THORNTON: If I understand your question, you mean what percentage of the total revenues is the advertising publicity cost?

Mr. GEARY: Yes.

Mr. FAIRWEATHER: It will form in 1932 approximately one part in 250. That would be a little less than a half of one per cent.

Mr. GEARY: I take it a patent medicine concern could never get along on that.

The CHAIRMAN: Of course, they are not comparable.

Mr. GEARY: It is just a comparison.

Sir HENRY THORNTON: There again, Colonel, comes in the question of knowledge of the business. Of course we all know that people who are selling patent medicines spend a great deal more money, relatively, on advertising than a railroad, according to the nature of the business.

Hon. Mr. EULER: Would you not say also that the advertising that is done in other countries, say the United States, by the Canadian National as well as by the C. P. R., results in very great revenues by way of tourist business, which the railways do not get, yet by which the country is benefited to the extent of probably $250,000,000 in Canada.

Sir HENRY THORNTON: We have heard a good deal about the tourist business, and it is suggested that the revenue from that in the Dominion amounts to about $250,000,000. That figure has been mentioned; it cannot be proven one way or another, but it certainly amounts to a substantial sum; but whatever it may be, the securing and retention of that tourist business is not exclusively a C.P.R. or Canadian National matter, or an outside hotel matter, or anything else, but it results from the combined efforts of all of those who are interested in attracting that tourist business to Canada. The provincial governments do something, and even the construction of highways may be regarded as a facility for the securing of that tourist business.

Hon. Mr. MANION: And would you not say, Sir Henry, that the vast proportion of the tourist business is not carried by the railways at all, but it is carried by motors.

Sir HENRY THORNTON: It is a little difficult to answer that question categorically. Of course a large proportion of it is carried by motors. It depends upon what section of the country you are speaking of. When you are speaking of Eastern Canada, I would say that is unquestionably true. When you get out in the west, far away from the large centres of population like Boston, New York, Philadelphia, Washington, and so on, I would say that the percentage would shrink, until you get out into British Columbia, on the Pacific Coast, and then you get an influx of automobile traffic that comes from San Francisco and Los Angeles and the western range of states.

Mr. CANTLEY: In 1931 what profit accrued by the operation of your foreign lines in the United States, for instance?

Sir HENRY THORNTON: I cannot answer that offhand.

Mr. MACMILLAN: Would you give me a statement of the expenses of the publicity department? I do not mean travelling expenses of the officials whose accounts might be divided up and charged to various departments, but I mean those particularly charged with the work in the department of publicity.

Sir HENRY THORNTON: If I understand your question, it is this,—how far back do you want to go?

Mr. MACMILLAN: 1929, 1930 and 1931.

Sir HENRY THORNTON: For 1929, 1930 and 1931, you want an analysis of the expenses charged to the publicity department?

Mr. MACMILLAN: I have had considerable experience in advertising and it has cost me a good many hundreds of thousands of dollars, and it is always a difficult problem to distribute that cost through the departments. Included in your figures you charge expenses of officials on business which you consider is publicity. For instance, you have a manager for a department and you have a staff under him. I want to know what their expenses are.

Sir HENRY THORNTON: That simply means an analysis of the expenses of that department?

Mr. MACMILLAN: I do not want an analysis of the salaries of the officials in the department, but merely of the men engaged in the work of publicity.

The CHAIRMAN: What Mr. MacMillan wants, if I understand him aright, is the entertainment account of the Commissioner of Publicity and his staff.

Mr. MACMILLAN: And all other expenses.

Mr. McLaren: In other words, you want to get the total expenses of the publicity and advertising department without regard to the distribution into accounts, and not that department's expense distributed possibly to rail hotels and to Eastern Lines, and to other accounts.

Mr. MacMillan: You are speaking of the department, and not of the people who come into the picture?

Mr. McLaren: Yes.

Mr. Bell: I want to ask a question, Mr. Chairman. I want to get a general statement from Sir Henry, if you have any contracts with any of your higher-up employees extending over a term of years, or can they simply be dismissed or fired on a month's notice?

Sir Henry Thornton: That is the case, Mr. Bell.

The Chairman: They have no term contracts. That is not usual.

Mr. Bell: I believe you did have a contract with an architect in Montreal who was signed up for a number of years, which contract, I understand, now is terminated. I believe you know the contract that I have in mind?

Sir Henry Thornton: Yes.

Mr. Bell: Are there many such contracts outstanding, which bind the railway company to expenses which in these days of economy you would not have?

Sir Henry Thornton: I will answer that question and I am quite positive that my answer is correct, but I would like to have an opportunity to check it and make sure that I have not overlooked anything. I might say that the contract to which you refer, and which has been cancelled, was the only one in existence.

Hon. Mr. Manion: If I understand, the Archibald contract is the one to which Mr. Bell refers. Is that cancelled so that there is no contract now with Archibald at all?

Sir Henry Thornton: I would like to look into that.

The Chairman: I had intended at some stage of the proceedings to ask for the complete statement of the Archibald contract, a copy of the contract and a statement of what it involved as it has been carried through, and what the actual expenditure is under it; and along with that I would like to have a statement of the engineering costs of the System's own engineers engaged in the same work.

Sir Henry Thornton: Architects and engineers?

The Chairman: Yes. I do not mind stating that representations have been made to me that that was a very extravagant contract. I am delighted to hear that it has been cancelled.

Mr. McGibbon: And would you include commissions in that question?

The Chairman: Yes, all kinds of emoluments and commissions, whatever they may be, since the Montreal Terminals venture was projected?

Mr. McGibbon: I would like to have that for 1929, 1930 and 1931.

Sir Henry Thornton: 1929 to date.

The Chairman: Including not only the Montreal development but all work in which Mr. Archibald had a hand.

Mr. Bell: Now, the next question, Mr. Chairman, is regarding the Montreal Terminal. This is a matter of extreme importance to the city of Montreal. I want to find out is the matter of the terminal facilities temporarily definitely stopped? Is there a nucleus of a staff kept, in case the work can go ahead? Thirdly, has the Royal Commission been appointed which is looking into the railway matters?

The CHAIRMAN: In other words, what is the position of the whole matter?

Sir HENRY THORNTON: I think the best thing would be to get up a general statement of the whole thing.

The CHAIRMAN: You cannot make the statement to-day offhand?

Sir HENRY THORNTON: No.

Mr. KENNEDY: I would like to have a statement of the legal fees paid by the railway, say, over the last three years.

The CHAIRMAN: Are you confining that to outside firms or to costs in the department?

Mr. KENNEDY: I want both.

The CHAIRMAN: Segregated under two categories, one to outside legal firms, and the other of the department.

Sir HENRY THORNTON: Mr. Kennedy wants a statement in respect of all legal expenses, of all sorts and descriptions, whether paid to whole-time lawyers of the company or paid in the form of fees to those who are outside of the company's service.

Mr. KENNEDY: Yes, and shown separately.

Mr. POWER: For what years?

Mr. KENNEDY: I asked for it for the last three years.

Mr. MCGIBBON: I would like, if I can, to get the commissions paid in connection with the purchase of immovable properties in Montreal.

The CHAIRMAN: Is that a statement of the commissions paid in respect to purchases of properties in connection with the Montreal Terminals?

Mr. MCGIBBON: Yes.

Mr. GEARY: Mr. Chairman, may I ask if you would be good enough to have Sir Henry make a statement as to the effect of the advertising not only of the Canadian National but also perhaps of the Canadian Pacific, also upon tourist traffic coming into Canada? Does it advertise the roads and the routes and that sort of thing and have some effect in inducing automobile traffic to come into Canada as well as railway traffic? I think that is a very important matter. We do not do much, as a government, in that.

Sir HENRY THORNTON: In the first place, the categorical answer to that question, Colonel, is that obviously the advertising which the railway and the steamship companies, such as the Canada Steamships, and hotels which are not owned by the Canadian Pacific or ourselves, and various local tourist agencies do, taken as a whole certainly must have a very considerable and advantageous effect upon the securing of tourist traffic for Canada.

I have before me here a figure, it is estimated that provinces, cities and towns in Canada spend about a million dollars a year in advertising on account of the tourist business. That is just a figure that may be interesting.

Mr. POWER: Do you mean, Sir Henry, that all the provinces and all these interests spend only about a million dollars?

Sir HENRY THORNTON: Can Mr. Fairweather explain that?

Mr. FAIRWEATHER: I rather think, if you got the full details, it might exceed that amount; but that is an estimate which was prepared by myself working in collaboration with the Montreal Tourist and Convention Bureau. The only definite information we could get was with regard to the larger cities and the provinces; and I have no doubt that there are expenditures by smaller towns and municipalities which would swell that figure.

Mr. POWER: Speaking of the provinces, it seems to me that the province of Ontario and the province of Quebec and the Maritime Provinces have very extensive publicity.

Mr. FAIRWEATHER: Well, we have the figures which the provinces supplied us. That is all I can say. It may be the same as Dr. McGibbon complained about, that we did not ask for it specifically. That was for 1930, of course, on this matter of the tourist business.

The tourist business is Canada's most important and largest invisible export, and in the question of the international balance of payments, and things like that, Canada's tourist trade is not only the largest of the invisible items but it is almost the largest item of the entire trade balance between Canada and the other countries.

Mr. GEARY: My information is that the Federal Government does not spend any money for advertising for tourists. I understand that the two railways do all the advertising that is done in a national way. Is that information right or wrong?

Mr. FAIRWEATHER: So far as I know, that is correct. That is supported by the provinces and larger cities and municipalities.

Mr. GEARY: Having that in mind, I ask if the publicity departments of the two railways might be responsible for some of the revenue which comes to us from outside countries? When we come to discuss the publicity of this particular railway, we might look afield to see if it does not, beyond swelling the revenues of the railway itself, do something for Canada as a whole.

Sir HENRY THORNTON: The answer to that question, Colonel, is undoubtedly in the affirmative.

The CHAIRMAN: If it were not, I think it would be a very sad state of affairs.

Mr. MACMILLAN: I asked some other questions the other day, and I wonder if you have the answers ready.

Sir HENRY THORNTON: Yes. The answers to these questions which Mr. MacMillan asked will have to be considered in connection with the pamphlet in regard to the pension system which was distributed.

(1) Question: What is the present system of superannuation on the Canadian National Railways?

Answer: There are three pension systems in operation on the Canadian National Railways, two of which are closed to new members. A memorandum in regard to each of these pension systems has already been submitted in evidence.

(2) Question: Is the system contributory?

Answer: (*a*) The Grand Trunk Railway of Canada Superannuation and Provident Fund Association, closed to new members as of December 31st, 1907, is a contributory system; (*b*) The Intercolonial and Prince Edward Island Railway Employees' Provident Fund, closed to new members as of August 7th, 1929, is a contributory system; (*c*) The Canadian National Railways Pension system, which is simply an extension of the old Grand Trunk pension system passed under the Statutes of Canada of 1907 and extended by Chap. 4, 19-20, George V (1929) to cover all employees of the system not already included under the other pension plans, is non-contributory.

(3) Question: Do you consider the system as operated at present fair to the people of Canada, the employees of the railway and the railway itself?

The answer to that is, Yes, but it requires qualification. I have answered it, Yes, but at the same time I think it demands an explanation.

Every large railway on the North American continent and all of those in Great Britain, and possibly those in other countries—but I can only speak for

the North American continent and England from personal contact—provide various forms of pension systems. Some are contributory and some are not. Those are the two general classifications of pension systems, that is to say, contributory and non-contributory. We have, as you will have observed from the answers to the questions which I have given about pension schemes which are now closed to new members, two which are contributory and one, the Canadian National Railways pension system, which is non-contributory.

The practice of all large railway companies has now become this: that pensions are provided in one way or another to care for employees who have outlived their years of active life and have reached a period where they are no longer, on account of age, effective officers or employees of the company. That is a principle which is not only recognized in the railway world but which is becoming recognized by governments and is a pretty well established principle. That is to say, that the industry itself should bear proper provision for the old age of those who have given their lives and have become worn out in its service.

Just how you do that, whether it is contributory or non-contributory, depends a good deal on circumstances. It depends a good deal on what arrangement can be come to with the employees of the company themselves. Even our large trade unions have pension systems.

If I were to express a personal opinion, I should say that in regard to the net income of any railway company, or as far as the expenses of any railway company are concerned, the first charge on the gross revenues of the company must be the payment of such compensation to those who are in its service as may be consistent with the character of the service and the going rate for such services; because, unless that is done, you immediately have dissatisfaction which translates itself into inefficiency, and you might have a strike in the event of an attempt to enforce a lower rate of wages or lower compensation than was considered fair by those who represent the employees. So that in the interests of the enterprise itself it is necessary to pay that compensation which promotes satisfaction, which is considered an adequate return, having all the circumstances in mind, to the individual involved and the classes of individuals. I think that is so obvious that it does not require very much argument. But there is still another charge on these expenses, and that is that after the individual, whoever he may be and in whatever class he may belong—and the great bulk in numbers are those who are considered employees—some provision has got to be made for his care during the remaining years of his life. That again is a principle which seems to be generally recognized. Some will go even further and say that another charge should be the maintenance of employees who have been taken ill or have been injured in the company's service. But, at any rate, it has become generally recognized in industrial practice that after the payment of proper compensation, the second charge is that contribution which enables individuals to live out their lives after they have passed a period of usefulness to the enterprise.

When we came to develop our pension situation under the consolidated Canadian National organization, we found these two different systems which I have outlined, the old Grand Trunk scheme, and the Intercolonial and Prince Edward Island railway scheme; and we were obliged to follow the usual industrial practice and hit upon some scheme, outside of the limitations of the two schemes to which I have referred, which would apply to other than the employees to whom those two schemes were open; and we developed this Canadian National pension system: It is non-contributory.

My personal view is that it is much better for a system to be contributory; that the employers should pay something and the employee himself should pay something as well, for the simple reason that by following that practice the employee himself is in a more dignified position; he is not an object of charity; and what is more important, under that kind of a plan both the employee and the employer benefit. The general pension charge is reduced in the aggregate,

but the employee, because of his contribution plus the contribution of the company, gets a better proposition out of it.

When we first undertook to start our Canadian National pension system, the employees generally—and they were after all the principal ones who had to be consulted—were not in favour of a contributing system; and we brought into being the present plan.

After these years have passed, I am able to inform you reliably that the opinion of the employees, as represented by their trade unions, has changed, and recently I have been approached with a view to re-examining and reconstructing this whole pension system on a contributory basis, which I think is much sounder than the present plan, and which I think will be of advantage to the company and of advantage to the employees. And that is one of the immediate things which we are going to take up at once, and will probably come to some complete readjustment during the present year.

Mr. MacMillan will probably say, You have got a long way from the answer to my question; but his question is not one which readily lends itself to a categorical answer of Yes or No.

I have tried to give you the facts as they are, and I have tried to be perfectly fair in my statement.

Mr. MacMillan: I am quite satisfied with the answer. My only question is why you did not come to the conclusion at which you have now arrived, some time ago. In the scheme, as you have it to-day, as years go by, there will be a great charge upon the treasury of the company.

Sir Henry Thornton: That is perfectly true; and the reason we did not do this at first is asked. You may ask, why did you not do all this six or seven years ago, and that is a perfectly proper question. The reason we did not do it then was because at that time we were unable to come to any understanding in that respect with the unions which represent 90 per cent probably of the men employed on the railroad. You must remember that at that time the management and officers, as officers of the combined system, were relatively unknown to the leaders of the trade unions; and in the intervening years we have come to know each other better and have established a feeling of mutual confidence; and out of that has grown a voluntary offer or suggestion on the part of the trade unions themselves that, having regard to the very large burden which this is apparently laying upon the railway, they feel that the time has come when there should be a re-examination of the whole pension scheme and the placing of the scheme upon a contributory basis. That is the reason, Mr. MacMillan, why it was not done at first.

The Chairman: The other systems to which you have referred are statutory systems?

Sir Henry Thornton: Yes, they all are.

The Chairman: You have told us that was the underlying reason for the adoption of the non-contributory system under your new scheme, which was inaugurated in what year?

Sir Henry Thornton: Was it 1929? That was rather an extension of the old Grand Trunk scheme.

The Chairman: That may have been the set-up for it, but it was different in that the one was contributory and the other was non-contributory. You have given us the reasons, as I understand you, that the trade unions were opposed to the contributory system. Was that the fundamental underlying reason, because the unions opposed it at that time, or were there not other reasons?

Sir Henry Thornton: I will have to explain that a little, if you will bear with me. One of the factors was that those who were mostly affected by the pension scheme did not see eye to eye with regard to a contributory system. The

other reason was that a good many of the railways on the North American continent have non-contributory systems. In other words, it is a proposition which can be argued from the point of example both ways; and we simply had to accept the situation as we found it and do the best we could with it; and as I have explained to you before, in the march of years the opinions of our people have changed.

Will Mr. Fairweather explain something which I had overlooked?

Mr. FAIRWEATHER: This matter of pension schemes, whether they are contributory or non-contributory, is not very simple. The Grand Trunk contributory system was their first pension scheme, and it got to be very unpopular with the men,—very, very unpopular with them. So unpopular, as a matter of fact, that the Grand Trunk decided to take a vote on the matter, and the vote was very heavily against the contributory system. And in 1908, the Grand Trunk established a non-contributory system simply with the proviso that those who wished to drop out of the contributory system could do so on a certain basis and become members of the non-contributory system.

What happened in the Canadian National pension scheme was simply this. The Grand Trunk non-contributory system was extended to cover all employees. The Grand Trunk contributory system had been closed out to new members for a long time. And the Canadian Northern Railway, being a very young railway and not firmly established, had no system at all.

Sir HENRY THORNTON: I might also add, for the information of the Committee, that pension systems on railways originated much earlier in the United Kingdom than on the North American continent. In the United Kingdom pension systems, both on railways and in industrial plants,—but I am speaking now particularly of railways,—have been in existence for many, many decades; probably shortly after the appearance of railways the pension system appeared. And, as my memory serves me, the great bulk, but not all, of those pension schemes in the United Kingdom were contributory schemes. I am speaking from memory, but I think from my knowledge of the situation I am not far wrong.

Mr. POWER: In any case, the scheme now in force was one which was passed by parliament and incorporated by a special statute?

Sir HENRY THORNTON: That is true.

The CHAIRMAN: Submitted by the management and legislated upon by parliament.

Mr. POWER: It is what is known as the Canadian National Railways Pension Act, 1929?

The CHAIRMAN: Yes.

Mr. MCGIBBON: I would like to ask another question. Are these pensions regulated by well-defined regulations?

Sir HENRY THORNTON: Oh, yes.

Mr. MCGIBBON: Or can they be modified by officials?

Sir HENRY THORNTON: They are regulated by very definite instructions, and are under the supervision of the Board of Directors.

Mr. MCGIBBON: And cannot be changed?

Sir HENRY THORNTON: Excepting by decision of the Board.

There is another question which Mr. MacMillan asked, and then I will be able to finish up the list of questions which he gave me.

Mr. MACMILLAN: There is question No. 4.

Sir HENRY THORNTON: The question is:

(4) Is it possible for an employee or an official of the Railways to be paid a larger pension than the pension scheme calls for?—If so, who

is the authority to increase the pension of either an employee or an official?—Answer. Yes. The Board of Directors has authority under the provisions of the General Railway Act of Canada.

Mr. GEARY: Mr. Chairman, I think I understand the situation, but am I right when I assume that in your balance sheet you carry a credit for an amount sufficient to keep these funds actuarially solvent?

Sir HENRY THORNTON: Oh, no.

Mr. FAIRWEATHER: The situation there, sir, is a little different in regard to each of the funds.

With regard to the non-contributory system, there is no fund at all. With regard to the contributory system, there is in the case of the Grand Trunk Superannuation Fund a board of trustees, which is not the Canadian National Railway at all; it is a board of trustees, and that board of trustees has a fund all its own, and it invests its money in securities. It actually has a fund, and its money is invested in first mortgages, Dominion Government securities, and things of that kind; but that is no part of the Canadian National Railway; it is a trustee fund, represented by employees, and the railway have a representative on the Board.

Mr. GEARY: You have not contributed or set up as a reserve or in any other way a sum of money which will make your non-contributory fund actuarially solvent?

Mr. FAIRWEATHER: The Grand Trunk contributory fund is actuarially solvent. The Canadian National Railway has no contributory fund.

The CHAIRMAN: Referring to Mr. MacMillan's question No. 4, my attention is directed to section 122 of the Railway Act, which provides:

> The Directors may pass bylaws or pass resolutions from time to time, not inconsistent with law, for
>
> (*c*) the retirement of such of said officers and servants, on such terms as to an annual allowance or otherwise, as in each case the directors, in the interest of the company's service, and under the circumstances, consider just and reasonable.

Mr. MACMILLAN: As a result of that, have the directors from time to time exercised their power under that section of the Act?

Sir HENRY THORNTON: Yes, Mr. MacMillan.

Mr. MACMILLAN: They have increased the pension?

Sir HENRY THORNTON: Yes.

Mr. MACMILLAN: Could we get a statement of that for, say, the last five years?

Sir HENRY THORNTON: Yes.

The CHAIRMAN: Col. Cantley has submitted a question which I am going to read and then hand to the management:

> A memorandum is desired showing operating expenses (including taxes paid, if any) on all hotels owned and operated by the Canadian National Railways during the calendar years 1930 and 1931; also total cost of Nova Scotian Hotel, Halifax, as at December 31, 1931, subdivided as to land, buildings, furnishings and the amount, if any, written off for depreciation between the date of the opening of the hotel and December 31, 1931.

Mr. MCGIBBON: I would like to have the cost of all the hotels of the company given us.

The CHAIRMAN: It is now one o'clock.

The committee adjourned until 4 p.m. today.

House of Commons, Room 231,

May 3, 1932.

The Select Standing Committee on Railways and Shipping met at 11 o'clock. Mr. Hanson presiding.

The Chairman: Gentlemen I have been handed by one of the members of the House of Commons a series of eight questions which deal very largely with traffic. For instance, the first question is:—

1. What has been the earned revenue of the Canadian National Railways from passenger and freight traffic originating in the various provinces?

I understand that information is not kept by provinces. I cannot understand how it can be answered.

2. What expenditures in the building of new branch lines or repairing of old branch lines have been made by the railways in the various provinces?

They might be able to get that information, but I very much doubt it.

3. What revenue has been realized in grain shipments, by provinces?

I do not understand that the accounts are kept in that way.

4. How much grain—total tonnage—has been shipped via Churchill over the Hudson's Bay railway?

I presume that information is available.

What are the gross receipts of all other traffic over the Hudson's Bay railway?

That could be answered.

What was the total cost of operation of Hudson's Bay road since its opening?

5. Have the Western Wheat Pool or other Canadian interests built grain and storage elevators at Buffalo or other United States ports? Does such diversion mean loss of revenue to Canadian railways and Canadian ports—and if so, what is a conservative estimate of the loss?

Well, there is no authoritative record, I presume, in the railway records of that, but they will have to do the best they can about it.

6. How much American grown grain was carried by Canadian railways during the past five years?

That could be obtained from the Bureau of Statistics.

What revenue was derived therefrom?

7. How much Canadian grown grain was carried by foreign bottoms? What loss of revenue did this mean to Canadian shipping interests?

8. Has any foreign legislation been passed to protect foreign transportation companies or shipping interests, and may the committee have an enumeration of such Acts of legislation.

Well, I have passed these along to the management of the Canadian National Railways and they will do the best they can with them.

Sir HENRY THORNTON: There are some of these questions, as you pointed out, Mr. Chairman, which I am quite sure we cannot answer, and some we can get the information for from other sources perhaps. All we can do is take these questions and do the best we can with them.

The CHAIRMAN: Dr. McGibbon, you are aware that Mr. Séguin was summoned at your request to be present this morning. I understand he is present. Do you wish to proceed with him?

Dr. MCGIBBON: Yes.

G. HENRI SÉGUIN, called and sworn.

By the Chairman:

Q. What is your name, residence and occupation?—A. G. Henri Séguin, 4960 Grosvenor avenue, Montreal, notary.

By Mr. McGibbon:

Q. What was your occupation in 1930?—A. I was Notary.
Q. In whose office were you?—A. Decary, Barlow and Joron.
Q. What was your position in that office?—A. Notary.
Q. Were you a partner?—A. I am a member of the firm.
Q. Were you a partner?—A. No, I am not a partner.
Q. Were you in 1930?—A. Yes sir.
Q. Were you a partner in 1930?—A. No, sir.
Q. You were not; were you employed?—A. Yes sir.
Q. You were employed in 1930 as a notary?—A. Yes sir.
Q. I suppose at a reasonable salary that notaries get—I do not want to ask you what you were getting?—A. I suppose so.
Q. In 1930 you drew a deal for a house on Pine Avenue, 1415 Pine Ave., Montreal?—A. Yes, sir.
Q. How much did you pay for it?—A. $185,000.
Q. How much money did you put up?—A. I did not put up any personal money.

By the Chairman:

Q. Were you acting for yourself or for somebody else?—A. I was asked by Mr. E. R. Decary—
Q. Who was he?—A. He was president of the Title Guarantee and Trust Corporation of Canada.
Q. What other position did he occupy?—A. I do not know.
Q. Was he a director of the Canadian National Railways at the time?—A. I do not know at the time. He was at one time.
Q. Was he a director, Sir Henry?

Sir HENRY THORNTON: Yes.

By Mr. McGibbon:

Q. Did you pay for the property?—A. Yes, sir.
Q. Did that include furniture?—A. Yes, sir.
Q. How much of it was allowed for the furniture?—A. $10,000.
Q. Have you an inventory of the furniture?—A. There was a list of furniture annexed to the deed.
Q. There was a list of that annexed to the deed; and where did you borrow the money?—A. From the Montreal Trust.
Q. How much did you borrow?—A. $185,000.
Q. That is, you borrowed 100 per cent, plus $10,000 more for the furniture?—A. Yes, sir.

Q. You did?—A. Not plus $10,000—$185,000 altogether.

Q. That is what I said—$175,000 for the property and $10,000 for the furniture?—A. Yes, sir.

Q. You borrowed it all from what company?—A. Montreal Trust Company.

Q. What date was that?—A. The beginning of August.

Q. Now, what date was it? You know the date?—A. I do not know the exact date. I know the deeds were completed on the 8th of August.

Q. What do you mean by deeds?—A. The deed of sale and the deed of loan.

Q. That is to say you bought property, you mortgaged it and you leased it all on the one day?—A. Yes, sir.

Q. That was the day before the Right Hon. R. B. Bennett became Prime Minister, was it? What was the great hurry?—A. I do not know anything about it.

Q. You were putting through the deal; you ought to know?—A. I did not put through the deal; I signed the deeds.

Q. You told me awhile ago you bought the property?—A. Under the deed of sale.

Q. You signed all the agreements?—A. I signed the deed of sale and the deed of loan.

Q. You were just a tool of Mr. Decary's, is that it?

The CHAIRMAN: You were an employee of Mr. Decary; put it that way.

Mr. MCGIBBON: He says he does not know anything about it.

Mr. POWER: He was acting under instructions from Mr. Decary. That is not quite fair.

By Mr. McGibbon:

Q. You acted as an employee of Mr. Decary?—A. Yes.

Q. And how much did you get? What interest did you pay the Montreal Trust Company?—A. Six and one-half per cent.

Q. What did you get from the Canadian National Railways?—A. Eight and one-half per cent. We did not get interest; we got rent.

Q. What rent?—A. A rent equal to 8½ per cent.

Mr. POWER: Is all this set forth in the deed?

The CHAIRMAN: I just had the document put in front of me. I do not know whether it is or not. If it is reduced to writing we ought to have the written evidence, of course; but the question is quite in order.

By Mr. McGibbon:

Q. Then there was a profit of 2 per cent?—A. The difference of 2 per cent was in reduction of the mortgage, because, according to the deal—

The CHAIRMAN: The amortization of the principal?

The WITNESS: Yes.

By Mr. McGibbon:

Q. At the rate of 2 per cent a year?—A. Yes.

Q. Was the Canadian National Railway financing the whole thing and amortizing it to the extent of 2 per cent?—A. Yes, sir.

Q. And paid for the furniture as well?—A. As far as I know, the Canadian National Railways pays the rent.

Q. Who owns the house?—A. I am the registered owner.

Q. In other words, you got a graft of 2 per cent on a deal of $185,000.

The CHAIRMAN: He got a profit.

Mr. Power: I object to that way of putting it.

Mr. McGibbon: Call it "profit"; I would prefer the word "graft."

Mr. Power: It is not fair to this witness.

Mr. McGibbon: My point is this: There is no notary on earth who could finance that deal of $185,000 and go to a trust company and get the whole thing and turn it over to the National Railways in the terms he has got.

By the Chairman:

Q. Let us ask the witness about that. Mr. Séguin, did you conduct negotiations for the purchase of the house yourself?—A. No sir.

Q. Who did?—A. I do not know. I was asked by Mr. Decary to purchase the property and signed the deeds and borrowed the money.

Q. So far as you know, it was Mr. Decary's child?—A. Yes sir.

Q. Of course, that is true; is it not?—A. Yes.

Q. Did you conduct negotiations with the Montreal Trust Company for the borrowing of the money?—A. No sir.

Q. Mr. Decary did that too, did he?—A. Yes sir.

Q. That is Mr. Decary's baby also, is it?—A. Yes.

Q. So that as far as you are concerned, you carried out your instructions?—A. Yes.

Q. And you took your instructions wholly from Mr. Decary?—A. Yes.

Q. And Mr. Decary gets the profit on this house, does not he?—A. Yes.

Q. You are just a trustee, we will call you that?—A. Exactly.

Q. Did you get anything privately, personally, out of this profit?—A. None of it.

Q. You got your salary and Mr. Decary gets any profit there is?—A. Yes.

Q. And at the time the deal was made Mr. Decary was a director of the Canadian National Railways?—A. I do not know exactly.

Q. Don't you know that? Everybody else knows it; and he did not cease to be a director until some weeks after the 8th of August, 1930, and he had been a director some years previous to the 8th of August, 1930?—A. Yes.

Q. So that Mr. Decary in his capacity as a director of the Canadian National Railways purchased the house and leased it to the railways out of which he has made a profit as a director. That is the fact of the matter, is it not?—A. I do not know.

Mr. Power: I think we will have to call Mr. Decary.

The Chairman: I do not care whether you do or not.

Mr. Power: I move that he be called.

The Chairman: I do not care anything about it. I would like the fun of cross-examining Mr. Decary.

By Mr. McGibbon:

Q. Who owns the house to-day?—A. I am the registered owner.

By the Chairman:

Q. You are not the true owner?—A. No.

Q. Mr. Decary is the true owner, and you are the trustee for him?—A. Yes.

Mr. McGibbon: Sir Henry, are you a director of the Montreal Trust Company?

Sir Henry Thornton: I am now, but I was not at the time this transaction went through.

Mr. MacMillan: When did you become a director of the Montreal Trust Company?

Sir HENRY THORNTON: I could not tell you exactly. I would have to look that up.

Mr. MACMILLAN: Well, Sir Henry, in making the statement here the other day about this house you went into the matter at length—

Mr. DUFF: Why not get through with the witness first and deal with Sir Henry afterwards.

The CHAIRMAN: If Mr. MacMillan wants to interject a question to the president, I see no great harm in that. Ordinarily, it would be out of order.

Mr. MACMILLAN: I am saying that Sir Henry made a statement in regard to the house deal and he quoted first the resolution of the Executive committee of the Canadian National directors of September 17, 1929, expressing the opinion that a suitable residence for the president of the company was essential for the proper conduct of the company's business, and resolving that the Executive committee should undertake to make such lease under such terms and conditions as the committee may subsequently deem proper. On September 23, 1929, the directors approved the resolution of the Executive, and the lease was authorized on March 24, 1930. The minutes of the Executive meeting tell of the president leaving the meeting. Now, could we get a copy of those minutes?

Sir HENRY THORNTON: Why, certainly.

By Mr. MacMillan:

Q. That was the situation in September, 1925. Can you tell me, Mr. Séguin, when the negotiations for the purchase of this house were entered into first?—A. I do not know at all. I did not make the negotiations.

Q. All you know about it is when the documents were presented to you to be signed?—A. Yes.

Q. You know nothing else.

By the Chairman:

Q. The documents were passed before you as Notary?—A. They were not passed before me.

Q. The documents were passed before whom?—A. Notary Joron.

Q. Was he another Notary in your office?—A. Yes.

Q. You told us that the purchase price as disclosed by the documents for the house and furniture was $185,000?—A. Yes.

Q. Was that the price that was actually paid?—A. Yes.

Q. Do you know that of your own knowledge?—A. Yes; because the cheque from the Montreal Trust and the loan was made to my order and was endorsed to me and turned over to the Royal Trust which was acting for the vendor.

Q. The Royal Trust got the money and got the full $185,000?—A. Certainly, sir.

By Mr. McGibbon:

Q. You did not own the house before the 8th of August, 1930?—A. No sir.

Q. You had no house to rent previous to that to the Canadian National Railways?—A. No sir.

Q. Then when Sir Henry made the statement the other day that they had passed a resolution some months before that they were going to approve the renting of a house you had nothing to rent at that time?—A. I beg your pardon?

Q. You had nothing to rent at that date?—A. No sir.

The CHAIRMAN: Do you mean the date of the resolution?

Mr. DUFF: Mr. Séguin, were you negotiating for the property before the 8th of August, 1930?.

The CHAIRMAN: He just told me he had not negotiated at all; that Mr. Décary negotiated. He had nothing to do with it.

Mr. MACMILLAN: Sir Henry, about that time, I understand, from your statement, the directors offered you a bonus of $100,000; is that right?

Sir HENRY THORNTON: I did not say it in exactly that way. I said some of the directors had approached me with the view of offering me a bonus of that character.

Mr. MACMILLAN: Who were the directors?

Sir HENRY THORNTON: Mr. Gardner was one.

Mr. MACMILLAN: Mr. Gill Gardner?

Sir HENRY THORNTON: Yes, J. Gill Gardner; and I think he spoke for some of the other directors with whom he had discussed the matter.

Mr. MACMILLAN: Was he the only one who spoke to you about it?

Sir HENRY THORNTON: I think that naturally going back so far one cannot always rely completely upon one's memory. I think, also, Mr. Décary knew of it. At any rate, Mr. Gardner discussed the matter with me.

Mr. MACMILLAN: The matter of the $100,000 bonus?

Sir HENRY THORNTON: Precisely.

Mr. MACMILLAN: So that in lieu of that you refused the overture in connection with the bonus of $100,000?

Sir HENRY THORNTON: As I tried to explain in my statement—

Mr. MACMILLAN: Because you felt it would not be fair to the officers?

Sir HENRY THORNTON: I gave my reasons in my statement.

Mr. MACMILLAN: Is not that what you said?

Sir HENRY THORNTON: Yes, precisely.

Mr. MACMILLAN: It was in September, 1929, that the resolution you referred to in regard to the house was passed apparently. Then, we go along and nothing is done. The bonus is turned down, and nothing is done at all until two days or three days after the last election, then they buy the house; is that so?

The CHAIRMAN: Ten days.

Sir HENRY THORNTON: That is correct; although negotiations with respect to the acquisition of the house had been in progress for some little time.

Mr. MACMILLAN: Did you know about the negotiations?

Sir HENRY THORNTON: Oh, yes.

Mr. MACMILLAN: Did you know that Mr. Décary was buying the house?

Sir HENRY THORNTON: Oh, yes. You remember that the original proposal was that the company should buy the house. Subsequently, after discussion, it was thought unwise or at least preferable the company should rent a house for a certain period in lieu of buying a house at that time, and when that conclusion—

Mr. MACMILLAN: Was there any other agreement that you know of in reference to the house other than the lease undertaken by the Canadian National Railways and Mr.—

Sir HENRY THORNTON: I know of no agreements with respect to the house except those that have already been presented to the committee.

Mr. MACMILLAN: The only agreement you know of is between—the rental agreement between the Canadian National Railways and Mr. Séguin; that is the only agreement you know of?

Sir HENRY THORNTON: That is the only agreement I know of, except what may be an implied agreement in the various resolutions that have been passed.

The CHAIRMAN: Sir Henry, the negotiations were all verbal except the lease, were they not?

Sir HENRY THORNTON: The situation there was this: After the original resolution was passed on September 17, 1929, I was asked to see what kind of a house could be procured. I entered into negotiations with the owner of the house.

Mr. MACMILLAN: You entered into negotiations?

Sir HENRY THORNTON: Yes, because it was thought better for me to conduct the negotiations and secure an option from the owner rather than the company.

Mr. MACMILLAN: Do you mean by the company, Mr. Decary's company?

Sir HENRY THORNTON: I mean either the Canadian National Railways or anybody who would be connected with the Canadian National Railways or associated with it in any way by inference or otherwise.

The CHAIRMAN: Sir Henry, then you went to work and leased a house from a member of your own board of directors who made the profit and who was occupying the position of trustee?

Mr. POWER: There is nothing shown of his making a profit.

The CHAIRMAN: Yes, 2 per cent on the loan.

Mr. POWER: That is amortization.

The CHAIRMAN: To whom does the profit accrue?

Sir HENRY THORNTON: I might explain that in this way—

The CHAIRMAN: I do not need any explanation on that part. There was a purchase made on the part of Mr. Decary.

Mr. MACMILLAN: I want to proceed a bit.

Mr. POWER: I think we ought to go into it more fully.

The CHAIRMAN: I am quite agreeable.

Mr. POWER: Let us ask Sir Henry to explain this 2 per cent if he can. That is of more importance than Mr. MacMillan's question.

Mr. GEARY: I suggest that we get from this witness what he has to tell us and then ask Sir Henry.

Mr. MACMILLAN: Have I the floor?

The CHAIRMAN: Yes, you have.

Mr. MACMILLAN: You learned gentleman please refrain from interrupting.

Mr. POWER: I have as much right to talk on this committee as anybody and I propose to exercise it. The Chairman makes a statement about a man who holds a high position in Montreal. I do not know him. I do not suppose I would know Mr. Décary if I saw him on the street. I think before going any further that we ought to inquire into that. The Chairman evidently thinks he has been guilty in a certain purchase of a house.

The CHAIRMAN: What else do you call it?

Mr. POWER: That is a pretty broad statement to make respecting a man of Mr. Décary's standing. I think we have been making a lot of loose statements in this committee. I am proposing that Mr. Décary should come here.

Mr. MACMILLAN: I think it would be advisable to have a royal commission examine into this matter.

Mr. POWER: You have a royal commission examining everything in connection with the Canadian National Railways, and that is a lot better than a lot of snooping down around the Canadian National railway offices.

Mr. MacMillan: The question I was going to ask Sir Henry was: The position of the shareholders of the Canadian National Railways, the Canadian public, is simply this that to-day; I presume, you, Sir Henry, are living in a house rent free that cost $185,000, and at the end of ten years we have paid for the house and Mr. Decary or someone else owns it, is that it?

Sir Henry Thornton: No, that is not quite the position, although in making any statement with respect to that aspect of it personally I think we would get it much better from Mr. Decary than from myself, because after I had secured the option or a substantial option on that house from the owner and turned the transaction for completion over to Mr. Decary, I have no personal knowledge of what went on between the Montreal Trust or the Royal Trust or anyone else. I was west. I left, I think, about the middle of June, the year in which the transaction was completed, 1930, and went west. I did not get back until early in August. Anything I would say to you or tell you in respect to that transaction is simply what I have heard second-hand; and if you want direct information you will have to go to the person who directly carried out the transaction; which is to say, Mr. Décary. Now, I will tell you what I know—at least what I have been told as to the transaction, and I have no reason to doubt that when it came to the purchase of this property, Mr. Décary negotiated alone with the Montreal Trust Company for $185,000; and they presumably said to him, Well, the usual arrangement, when making a purchase of this sort, is to pay down 25 or 50 per cent in cash of the value of the property to be purchased. You are coming to us and asking us to lend the full value of the property. Now, it may appreciate or it may depreciate.—

Q. $10,000 more than the full value?—A. I am speaking of $185,000, the value of the property plus the furniture.

Q. The furniture which in ten years would be worn out?—A. I daresay we will always find furniture in our houses which is serviceable after ten years, but, however,—

Q. Let me ask you this?—A. I am trying to make a statement.

Mr. Power: Sir Henry is trying to make a statement.

Mr. MacMillan: I do not want to speak.

Mr. Power: Well don't speak.

Sir Henry Thornton: They said, Well, this is a somewhat unusual arrangement for the reason that nothing is being paid on the purchase price of this property to be acquired, and, as I stated a minute ago, it may appreciate or it may depreciate; at any rate, as a trust company, as a banking institution lending this money, we are entitled to some protection for the capital that is invested, in lieu of part payment down in cash of the purchase price of the property. So presumably they said to Mr. Décary, we will lend you on this property $185,000 at 6½ per cent interest, but we will have to ask that for the protection of our property it be depreciated at the rate of 2 per cent per annum,—

The Chairman: Are you giving evidence of what you know yourself?

Sir Henry Thornton: I prefaced my remarks,—

The Chairman: This is quite a different thing, and I suggest Sir Henry confine himself to facts of which he has any personal knowledge.

Mr. Power: Sir Henry comes here every day and we ask him questions about the Canadian National Railways,—

The Chairman: About which he knows.

Mr. Power: About which he knows through his officials. He cannot have personal knowledge of all the things of which we ask him.

The Chairman: But this is a little different, and I suggest that he confine himself to the facts of which he has personal knowledge.

Mr. POWER: Do you not want the facts, or do you want to have it get out to the papers without any explanation?

The CHAIRMAN: That is quite uncalled for.

Mr. POWER: Not more uncalled for than lots of things the Chairman has said since we started.

The CHAIRMAN: I think he is entitled to give us the facts of which he has personal knowledge.

Mr. POWER: He has the same personal knowledge as in regard to things of which he has already given us information.

Sir HENRY THORNTON: I prefaced my remarks by the statement that the facts of which I was going to speak were not of first-hand knowledge. If you want me to proceed, I will. If you do not, I will not proceed.

Mr. BEAUBIEN: The Chairman is not running the committee. He is only the Chairman of the committee.

The CHAIRMAN: That is uncalled for.

Mr. POWER: Not any more uncalled for than the other remarks which have been made. You are supposed to be Chairman to direct the committee.

Sir HENRY THORNTON: May I ask if you want me to go or to stop?

The CHAIRMAN: I think Sir Henry ought to make a statement of facts within his knowledge. If he does not know he ought not to give us hearsay on an important matter like this.

Sir HENRY THORNTON: You will agree, Mr. Chairman, that when I started my remarks I said it was entirely second-hand information; and the only direct first-hand information which could be had in this transaction must come from Mr. Décary.

The CHAIRMAN: Very well. I think we had better get Mr. Décary's evidence. I think we must have him here.

Sir HENRY THORNTON: I would ask the committee's personal indulgence. I think there have been personal statements here made which considerably concern me, and which I feel ought to be definitely cleared up, and I want the fullest and most complete investigation of this whole transaction. I want all witnesses called who can speak of first-hand knowledge in connection with it.

The CHAIRMAN: If you have any witness you want called, he will be called. The committee will give you that undertaking right now.

Sir HENRY THORNTON: Then I would ask—I think Major Power has already suggested it—that Mr. Décary be called.

The CHAIRMAN: We will have him here to-morrow.

Mr. POWER: Is there anybody else you want called?

Sir HENRY THORNTON: The only person who could give direct personal knowledge of the transaction is Mr. Décary.

By the Chairman:

Q. Mr. Seguin, with whom did you deal in the trust company?—A. I did not deal directly with them.

Q. Who handed you the cheque?—A. It was not handed to me because I was away at the time. It was handed over to Mr. Décary, and when I came back from the trip for my holidays, the cheque had been deposited in the bank and I went to the bank and endorsed it.

The CHAIRMAN: I think it would be wise to have somebody from the Montreal Trust, Mr. Donaldson or Mr. Greene—one or the other of those.

Q. I would like to ask you this question. On the 27th a resolution was read into our minutes, dated June 16, 1930:—

The Executive Committee of the Directors on June 16, 1930, passed the following resolution:—

> Resolved that the company rent from George H. Seguin, for a term of ten (10) years, commencing on the first day of August, Nineteen hundred and thirty (1930) and expiring on the thirty-first day of July, Nineteen hundred and forty (1940), that certain house bearing No. 1415 Pine Avenue West, in the City of Montreal, for an annual rental of Fifteen Thousand Seven Hundred and Twenty-five dollars, payable quarterly.

and so on. At that time you did own 1415 Pine Avenue?—A. On what date was that?

Q. On the 16th June, 1930.—A. Yes.

Q. You owned it at that time?—A. Not on the 16th June—I thought you said August.

Q. In June you did not own it?—A. No.

Q. Did you know anything about the transaction of the 16th June, 1930? —A. No.

Q. You had never heard of it?—A. No.

By Mr. Geary:

Q. You did not have any knowledge of it then?—A. No.

By Mr. MacMillan:

Q. And you did not have any house to rent at that time?

The CHAIRMAN: No, he has said that.

By Mr. MacMillan:

Q. Might I ask, Mr. Séguin, is there any adjacent land which was purchased together with the house, which was included in that deal? Did it include land other than that upon which the house is situate?—A. No, I do not think so.

Sir HENRY THORNTON: Would you like me to answer that?

By Mr. MacMillan:

Q. The house is now an integral part of the purchase?—A. Yes.

Sir HENRY THORNTON: There were approximately 22,000 square feet, and that is still part of the property. It may be a little more than 22,000 square feet, but that is roughly what I recall the area to be.

By the Chairman:

Q. What was the assessed value in 1930, Mr. Séguin?—A. I do not know, sir.

Q. Did you make a search to ascertain?—A. No.

Q. Did you have an appraisal made?—A. No, sir.

Q. An appraisal was never made by anybody?—A. Not that I know of.

Q. Did the trust company have an appraisal made?—A. I do not know.

Q. What is the law in Quebec as to trust companies loaning on real estate mortgages? Can they loan up to 100 per cent of the value?—A. I do not know.

Q. Have you any knowledge of the law down east? In New Brunswick it is two-thirds.

Mr. MACMILLAN: It is 60 per cent, I think. Mr. Bell says it is 60 per cent, roughly.

By the Chairman:

Q. Trustees' funds, is it 60 per cent?—A. Yes, sir.

Q. What is the assessed value?—A. I do not know.

Mr. McGibbon: $60,000—I have the figures.

By the Chairman:

Q. You had no appraisal made?—A. No, sir.

Q. As a matter of fact, you were not interested at all personally except as the channel through which the transaction passed?—A. No, sir.

Q. And none of the property is accruing to you?—A. No, sir.

Q. It all goes to Mr. Décary?—A. Yes.

Mr. Power: I would add all, if any. I am not interested in whether he made any profit on it or not. I think we had better ask Mr. Décary about it.

The Chairman: Yes. There is $37,000 going to somebody, on paper at all events.

Mr. Power: Perhaps Mr. Décary can clear that up.

By Mr. Geary:

Q. Mr. Seguin, when did you first hear of this transaction?—A. The 1st day of August, 1930—I do not know whether it was the 1st or the 2nd. I remember I went away around the 3rd or 4th, and I signed the deed and contract before going away on my holidays. They were completed, I believe, on the 8th, a while afterwards.

Q. There was nothing in the way of negotiating with you—you were just asked to take this over?—A. Yes.

Q. And you signed papers and went away and then the transaction was closed later?—A. Yes.

Q. May I ask you, did you endorse the cheque at all?—A. Yes, sir.

Q. Before you went away?—A. No, not before I went away. The cheque came after I went away, and when I came back I went to the bank and endorsed it.

Q. When did you come back?—A. I was away about two weeks. I know it was about the beginning of August I went away.

Q. And then, in consequence of something that was said to you, you went and got a cheque from the Montreal Trust Company?—A. The cheque was in the bank when I came back.

Q. And you endorsed the cheque?—A. I endorsed the cheque.

By the Chairman:

Q. At whose request?—A. Mr. Décary's request.

Q. When did you sign the mortgage?—A. All the papers were signed at the same time, around the 3rd or 4th August; I am not sure of the date.

Q. The lease bears date the 8th August?—A. It was completed on the 8th.

Q. But you need not necessarily have signed it on that day?—A. Oh, no.

Q. And you had previously signed the mortgage before you went away?—A. The mortgage and the lease.

The Chairman: Any other questions to be asked of Mr. Séguin?

Mr. Power: What is the use? The chairman won't let us ask a question.

The Chairman: I am inviting you to ask questions.

Mr. Duff: I think you ought to give the members an opportunity to ask questions. You have taken the questions out of our mouths. You stopped the Colonel here asking questions and took the words out of his mouth.

The CHAIRMAN: He is not complaining. Why are you?

Mr. POWER: He is too indignant for utterance.

The CHAIRMAN: If he is, I will apologize to him.

By Mr. Geary:

Q. Is there any trust agreement? Do you hold this under any signed agreement as to what you are to do with the proceeds?—A. No.

Q. And when the cheque comes in for rent, does it come to you?—A. It comes to me and I endorse it.

Q. And you simply turn it over?—A. Yes.

By the Chairman:

Q. To whom do you turn it over?—A. To the Montreal Trust.

The CHAIRMAN: Any other questions to ask this witness?

Mr. POWER: No.

Mr. DUFF: We are content.

By Mr. Geary:

Q. May I ask just one more question, Mr. Séguin. Under what trust do you hold this? How do you know what trust you are holding this under?—A. I was just asked by Mr. Décary to buy the property, sign the papers and turn all the money over to the Montreal Trust.

Q. And should anything unfortunately happen to you, your estate will get what is coming?—A. I suppose Mr. Décary will protect me.

By Mr. McGibbon:

Q. When you rented this to the Canadian National Railways, it included taxes, interest and fire insurance?—A. I know the lease included taxes. I do not know about interest.

The CHAIRMAN: That is in the record now. It is all covered by the lease.

By Mr. MacMillan:

Q. Did you ever become a party to a deal similar to this before?—A. Oh, many times.

Q. That is a usual practice, is it?—A. Yes, sir.

Mr. POWER: Usual practice of notaries?—A. Yes.

By the Chairman:

Q. But you acted without any written trust?—A. Yes, sir.

Q. The deed contains a provision that the lessee will execute all documents of any nature whatever in the leased premises pay the fire insurance premiums—there is no question about it that the lessee has to pay that?—A. No.

Q. The lease further contains this provision:—

> To lease and abandon the hereby leased premises at the expiration of the present lease in as good order and condition as they were at the time the lessee took possession thereof.

A. Yes, sir.

Q. Will you obtain and file with the committee a copy of the deed of sale to you?—A. Yes.

The CHAIRMAN: If there is any bill in relation to it, send it in to the secretary.

Any questions, gentlemen?

Mr. BELL: Is the lease going to be in the record?

The CHAIRMAN: The lease is in the record now, I think.

Are there any more questions to be asked of this witness? You are discharged for the moment, Mr. Séguin. Do not leave until later.

Mr. Décary is to be called for to-morrow, if possible, and some officer of the Montreal Trust Company. Is that the will of the committee?

Mr. MACMILLAN: Sir Henry expressed the wish that Mr. Décary be called.

Sir HENRY THORNTON: It was not my original suggestion. I want the fullest investigation, as long as my statement, which was not first-hand information, is not accepted; that someone who knows the facts first-hand be called.

Mr. POWER: I will move that Mr. Décary be heard.

The CHAIRMAN: Will you include that some officer of the Montreal Trust be called?

Mr. POWER: I am not interested in them. Certain accusations have been made against Mr. Décary and I think he should be heard.

Hon. Mr. CHAPLIN: I will move that some representative of the Montreal Trust Company be called.

The CHAIRMAN: And Mr. Décary. Is that the will of the committee?

Carried.

Mr. GEARY: Some gentleman who may be able to give us all the details—it may need two or three of them.

Mr. MCGIBBON: I might suggest that we have the one who signed the mortgage.

The CHAIRMAN: Mr. Séguin, do you know what officer of the Montreal Trust signed the mortgage?

Mr. SÉGUIN: No, I do not, sir.

The CHAIRMAN: I will call them by telephone myself.

Mr. BELL: It might be well to start at the inception of the house deal. Where did this deal originate from? From whose mind? Was it the Board of Directors through whom it was approached to Sir Henry? And then find out what passed, with Mr. Décary, to consummate the deal. To-day Sir Henry started to give an explanation of what he knew regarding the deal, but the committee stopped him.

The CHAIRMAN: I did not stop him in regard to what he knew himself.

Mr. BELL: I understood it was at the point where he was interviewing the owner of the property, and when it was decided to stop his evidence on that. I want to be fair.

The CHAIRMAN: Sir Henry, according to the memorandum which you submitted the other day, the first date given is the 17th September, 1929, when the Executive Committee of the Board of Directors of the Canadian National Railways passed a resolution resolving that the Executive Committee should undertake to lease a suitable and properly equipped residence for the use of the Chairman. Now, the first initiative was that resolution passed, and what was the beginning of that transaction, so far as you know?

Sir HENRY THORNTON: I think that the statement which you have read there outlines the situation pretty generally. I remind you that I had been approached with the suggestion that a bonus should be paid, and I gave the reasons why I rejected that. Just exactly how the proposals to rent a house came up, I am not sure that I can definitely recall, because that was nearly three years ago and a good many things have passed through my mind in the meantime. I say that not for the purpose of passing the buck or avoiding the

issue or anything like that, but it is quite impossible for me to keep in my mind two and a half or three years all the details of certain transactions; but when I felt that I preferred not to accept that bonus,—

Mr. MacMillan: Might I interject a question? When was it that the bonus was first offered to you?

Sir Henry Thornton: The first conversation which I recall on that subject was with Mr. J. Gill Gardner, who had had, I understood, some conversation with some of the other directors upon the subject and he was asked to discuss the matter with me. That is my recollection.

Mr. MacMillan: That was in 1928?

Sir Henry Thornton: It was probably early in 1929.

Mr. MacMillan: You said the other day 1928.

Sir Henry Thornton: Well, it may have been 1928.

Mr. MacMillan: That they decided to vote you a bonus of $100,000?

Sir Henry Thornton: That may be right. Then there was some discussion as to what, if anything, might be done. I do not recall just how or who made the suggestion with respect to purchasing or provision of a house; but at any rate when that subject came up I said, Well, that seems a reasonable thing to do. I have got to carry out certain functions here in Montreal. There are always people of more or less importance coming to town, that something has to be done for. Practically speaking, from the point of view of dealing with matters of this sort, I am more or less single-handed and alone. Our principal competitor can always call in to his assistance in matters of that sort three or four of their directors and others who have important houses and facilities which they can use in the interests of the company. And, having regard to the general situation, I think it would be to the advantage of the company if I were in a position to carry out responsibilities of that character. And there was some further informal discussion with the directors; and finally the proposal was reached that the company should provide me with a house to carry out the responsibilities which I have just outlined. I said: That is all right, that seems to be reasonable. I won't take any money, but if you want to put at my disposal a house which can be used in the interests of the company, I have no objection to it at all and I think that is a perfectly sound thing to do.

That is the way the thing originated, and that is the genesis of the whole thing. And, as I have pointed out in my statement, instead of the house being an asset to me it has turned out a considerable liability, because I have spent a very large sum on it which I could ill afford to spend at the time; but, in view of the financial position which at that time was confronting the company, I said: Well, you have already given this house, you have already rented it and you are committed to the lease. The lease involved the equipment of the house in proper shape for occupancy, but I will waive that and I will undertake to bear that expense myself; and I did. Now, the upshot,—

Mr. MacMillan: You never asked the directors or any of the executive committee to pay any part of the bills for the furnishing of the house?

Sir Henry Thornton: There was some discussion about it, but I finally felt I was not going to ask for it.

Mr. MacMillan: I say you never did, Sir Henry? You never approached them?

Sir Henry Thornton: There was some discussion based on these lines which did provide that the house was to be fully equipped and ready for occupancy, and that was a definite right on which I could stand—

Mr. MacMillan: I asked you if you ever personally approached any of the directors or officials of the company, or the Government, with a request to pay for the furnishings of the house, the $50,000 liability of which you are talking.

Sir HENRY THORNTON: I cannot definitely answer that question Yes or No for this reason, that the resolutions did provide that certain things be done.

Mr. MACMILLAN: I know, but—

Sir HENRY THORNTON: Unless you are going to let me make my statement in my own way, I cannot definitely make any statement. There is nothing for me to conceal about it, but I cannot give the facts by simply answering Yes or No in a categorical form. There was some discussion, and I did bring to the attention of the directors the fact that under these resolutions the company was obligated, as I understood it, to perform certain things. The discussion was of an amiable and friendly character. And finally, as I said a moment ago, in view of the situation, after representing to the directors that that was an obligation on the part of the company, I said, all right, now, we will wash that out and I will undertake the responsibility myself.

Mr. MCGIBBON: Was not the Government asked later to pay that bill?

Sir HENRY THORNTON: No. I had some discussion with the present Minister with respect to the whole thing, and it was only an informal discussion. Mind you, I have a great many discussions with the Minister that are entirely informal, and they must be so if we are to get anywhere with many of the problems which present themselves on the Railway.

Mr. MCGIBBON: I was not referring to you, but I said by anybody in your behalf?

Sir HENRY THORNTON: I do not know at all as to that. The bare facts are just exactly as I have put them. The company was under a certain obligation, and finally, after full consideration, I said that I would abandon any rights that I might have in the matter with respect to equipment and furnishings, and would pay that myself.

The CHAIRMAN: The fact is that whether you asked them to carry out the transaction and equip the house, you did do that yourself?

Sir HENRY THORNTON: Yes, sir.

Mr. MACMILLAN: Are you through with your statement?

Sir HENRY THORNTON: Yes.

Mr. MACMILLAN: I would like to ask you whether you personally approached the Government or any of the directors of the National Railway with regard to payment for the furnishings of the house.

Sir HENRY THORNTON: I do not know what any of the directors may have done. I cannot speak as to that; but I did discuss the question with the present Minister of Railways shortly after his appointment; and I think his feeling was that in view of the situation,—it was purely an informal conversation, but in view of the situation that was rather a doubtful proposition, in his mind, for the Government to accept; and in view of that and in view of the general situation, I pursued the course which I have outlined.

Hon. Mr. MANION: Since I have been brought into this, may I just say, in confirmation of what Sir Henry has said. Yes, Sir Henry spoke to me about the Government permitting the late directors, who were just about to retire, to do some of the furnishings of the house; and I refused.

Sir HENRY THORNTON: That is exactly it. I talked to the Minister about it. I very often talk to the Minister about a whole lot of things, but more in a friendly way than in our respective positions. I suppose that would apply to a good many of the things, would it not?

Hon. Mr. MANION: Yes, it was absolutely in a friendly way. I may say quite frankly that Sir Henry told me about this house situation when we first got into power. We had only been in power a short time and I had been a

Minister for but a short time. Some of the details I did not know. We had nothing whatever to do with the house. It was done under the late directorate, and in no shape, manner or form had we anything to do with it; and for that very reason I refused to have anything to do with it in any shape or form.

Sir HENRY THORNTON: That is correct.

Mr. MACMILLAN: Is it fair to assume that had the Government not changed and had the late Board of Directors continued they would have paid the bills and furnished the house?

The CHAIRMAN: That is a matter of inference.

Sir HENRY THORNTON: Your guess is as good as mine. I can only say, as I look back upon the situation, I would have done as I did anyway.

The CHAIRMAN: You are not called upon to answer that.

I would like to call your attention to another phase. The former resolution relating to renting from Mr. Seguin is entered in the minutes as of June 16, 1930. As a matter of fact, while the resolution may have been prepared and considered on the 16th of June, 1930, is it not true that the resolution actually did not get approval until the 7th day of August, 1930, because I find in the minutes an extract which has been provided, under date August 7, 1930:

> It was decided that the approval of the Executive Committee given on June 16, 1930, to the lease to the Company of a house (No. 1415 Pine Avenue West) as a residence for the President, as approved by the Directors September 23, 1929, be now entered in the minutes of the said meeting of June 16th, 1930.

If that was done on the 16th June, 1930, why was it not entered in the minutes of that day and held off until the 7th August?

Sir HENRY THORNTON: I think it was only a day or so after June 16 I went west on the annual trip which I take to the west; and I returned, it must have been something like the 2nd or 3rd of August, as I recall it; at any rate it was very shortly after the election because I remembered passing through Port Arthur and Fort William shortly after the election. I am not sure if I met Dr. Manion at that time, but at the same time I had a fairly good idea that possibly he might be Minister of Railways. I remember passing through Port Arthur and the head of the lakes at that time, which was prior to his appointment, which I think was August 7 or 8; so that that fixes in my mind the date when I got back, which was somewhere around the 2nd or 3rd of August. Meanwhile I had left the completion of the whole transaction in the hands of the Executive Committee; and when I got back I found that there had been some misunderstanding—just what it was I do not know; Mr. Décary can tell you better than I, because I was not in Montreal. For some reason, that resolution of June 16 had not been put upon the minutes, and as soon as convenient and possible thereafter the resolution of August 7 was passed.

The CHAIRMAN: As a matter of fact your answer is that you do not know why it was not entered?

Sir HENRY THORNTON: No. And in view of this situation, I have not talked to anybody or tried to influence anybody's opinion because I want witnesses to come here to say what they think and what they know.

The CHAIRMAN: You do not know, as a matter of fact, why it was not entered up on the 16th June?

Mr. BELL: Mr. Décary, first as a member of the committee and then as a member of the board, and also as a private individual. In your dealings with Mr. Décary, in what capacity were you dealing with him or were you dealing with him in different capacities? I mean, when you had spoken about this house

to Mr. Décary, was it as a member of the Executive Committee or as a member of the Board, or was it personal friendship?

Sir HENRY THORNTON: I should say it was probably a little of both. Mr. Décary was a member of the Executive Committee and he was a member of the Board. He had undertaken to carry out and bring to a consummation the details of this arrangement. In that respect he spoke to me about it, although he did not speak to me about it between June 16 and August 7, because I was away. It is pretty difficult to answer that question of yours categorically; but I have known Mr. Décary ever since he was appointed a member of the Board, which was in the latter part of 1922, and have been in contact with him as a member of the Board since that time; and it is not unlikely I may have had some conversation with him in a friendly way.

Mr. BELL: The point I am trying to get at is, was Mr. Décary acting for the Board or the Executive Committee of the Board, or was he acting for himself personally when he negotiated this lease?

Sir HENRY THORNTON: That is something which you had better ask him when he comes.

Mr. BELL: How did you understand it?

Sir HENRY THORNTON: My understanding was that he was acting as the appointed agent of the company, a member of the Executive Committee, to carry out a transaction which the committee wanted to carry out.

The CHAIRMAN: Did you understand that Mr. Décary was going to buy this house himself and lease it to the National Railways?

Sir HENRY THORNTON: No, I did not understand that.

The CHAIRMAN: Had you known that, would you have allowed the transaction to go through?

Sir HENRY THORNTON: Now you are getting into a legal question.

The CHAIRMAN: No, I am getting into a question of propriety—that is the essence of that question.

Sir HENRY THORNTON: That is a question which I do not know that I could answer offhand.

The CHAIRMAN: Perhaps you do not wish to answer it; if you do not, let it go.

Sir HENRY THORNTON: No, I do not think anybody who has been on this committee in the last nine years can say I have not been frank with the committee, because I always have been.

The CHAIRMAN: No, but you may not wish to answer a question like that, because I am really asking you to sit in judgment on Mr. Décary.

Mr. POWER: Until such time as we show Mr. Décary's conduct is improper, we should not say that.

The CHAIRMAN: On the language, in the extreme it is improper, on the accepted facts.

Mr. POWER: They will not be accepted facts as far as I am concerned, until we hear from Mr. Décary, no matter how loudly they scream.

Sir HENRY THORNTON: Much would depend, and in fact everything would depend upon whether any profit was made in the transaction or not. If Mr. Décary or any other director acted in the interests of the company, as supposed at the time, and no profit accrued to him, I should say,—not looking at it from a legal point of view but in the point of view of common sense, that he would do nothing reprehensible. It would all turn upon whether he had made money out of it.

The CHAIRMAN: To whom does the 2 per cent difference between the 6½ per cent and the 8 per cent paid to the Montreal Trust Company go?

Sir HENRY THORNTON: I can only answer it from second-hand information. I cannot answer it from personal knowledge, but what I believe to be the fact.

The CHAIRMAN: Answer it.

Sir HENRY THORNTON: I understand that the 2 per cent depreciation goes to the Montreal Trust Company.

The CHAIRMAN: In reduction of the principal sum owed?

Sir HENRY THORNTON: And I might add in that connection, since you have opened the question, I hold a letter from Mr. Décary, addressed to me as President of the Canadian National Railways in my official capacity, which gives the company the right to purchase that property at the expiration of the lease at its amortized value.

The CHAIRMAN: Why was that not put into the lease?

Sir HENRY THORNTON: My recollection is,—I am again speaking from memory,—that that was not put in the lease and I discovered it afterwards and said that was something that had to be done.

Hon. Mr. CHAPLIN: I move that that letter be handed in to the committee by Sir Henry Thornton and be added to the record.

Sir HENRY THORNTON: That is my recollection of it, that I said to the company that that would have to be added; and that was done.

The CHAIRMAN: That was the intention, was it not, that the company should buy the house, but the time was not opportune?

Sir HENRY THORNTON: No, I do not understand it in that way.

Mr. DUFF: It was in the nature of an option.

Sir HENRY THORNTON: If you pursue the question further, I might say I had hopes; but my hopes were not realized, as many of your hopes have not been realized with respect to your financial position, that at the end of the ten years I might be able to scrape together enough money to buy the property myself. But when the depression hit us in 1929 those hopes went west.

The CHAIRMAN: When was that letter written, Sir Henry?

Sir HENRY THORNTON: I will have to get the letter.

The CHAIRMAN: Was the then Minister of Railways at any time between September, 1929, and the 8th day of August, 1930, consulted about the leasing of this house, and were the people of Canada informed that the company was leasing a house for the President of the National Railways?

Sir HENRY THORNTON: To answer your first question, the people of Canada were not informed of what the directors proposed to do, for the same reason that there are a great many things which the Canadian National Railways do and are obliged to do which it does not call a Soviet meeting of the whole of the people of Canada to tell them what they are going to do.

Hon. Mr. CHAPLIN: Mr. Dunning is coming to this meeting, and I would prefer to ask Mr. Dunning rather than Mr. Thornton that question.

The CHAIRMAN: I am speaking of his knowledge.

Sir HENRY THORNTON: To my recollection the minutes of the meeting were sent to the Minister.

The CHAIRMAN: Are you wanting Mr. Dunning called?

Hon. Mr. CHAPLIN: I asked the other day that he should be called. And I asked the other day for an expense sheet of Mr. J. Gill Gardner. I do not want to go over the whole category, and I do not want to give too much work, but I would like it for the last two years that he was with the road. I would like to look over his expense sheets.

The CHAIRMAN: There is no objection to that; and Mr. Dunning might be asked to come here to-morrow.

Mr. GEARY: Might I ask Sir Henry how far he was connected with the selection of this house personally.

Sir HENRY THORNTON: Yes, I will answer that gladly. I had been living in the house for some time, the owner of the house being abroad; and he had indicated that he proposed to return to Montreal and resume residence in the house; and he was asked, I believe, to put a price upon the house and he named what I thought was an excessive price.

Mr. GEARY: What date was that?

Sir HENRY THORNTON: That must have been somewhere in 1929, prior to September 23; probably about the middle of 1929. He named a price which I felt could not be paid and was unjustifiable. So I proceeded to try to find something else. In the meantime, as I recall it, either he re-opened negotiations with me or I did with him and it was decided by the Executive Committee that it was preferable for me to carry on the negotiations with the owner of the house up to the time that we did or did not secure a definite offer or option from him; and that I proceeded to do, and he finally named a price which has been paid for the property; and when that option had been secured, or what substantially amounted to an option, then I left the entire matter in the hands of the Executive Committee to settle the details. I simply turned that over.

The CHAIRMAN: Sir Henry, who was the owner under whom you were a tenant?

Sir HENRY THORNTON: Mr. Alfred Beardmore.

The CHAIRMAN: What price did he ask?

Sir HENRY THORNTON: I think his original price was about $225,000 or $250,000.

The CHAIRMAN: And what annual rental did you pay as a tenant?

Sir HENRY THORNTON: Originally $500 a month, which I substantially increased to $600; and that I may say was a distress rental. He told me, when I first rented the house from him, that the house had been closed for some time and that it was depreciating very much more rapidly empty than rented, and that if he could get a good tenant for the house he would be prepared to rent it. And that was the way that rental was determined.

The CHAIRMAN: And what is the cost of the upkeep of the house, in addition to the rent, taxes, insurance and every other charge?

Sir HENRY THORNTON: I can tell you what the insurance is, but all repairs, water rates and that sort of thing I paid myself and it does not enter into it.

The CHAIRMAN: I mean that the company pays under the lease.

Sir HENRY THORNTON: The company pays no water rent.

The CHAIRMAN: Can we have a statement of what the carrying charges are in addition to the rent?

Sir HENRY THORNTON: Yes, certainly.

Mr. POWER: Before leasing this property, was it valued?

Sir HENRY THORNTON: Yes. I did not get any formal valuation on it, but I discussed the value with Mr. Décary, who knows a good deal about real estate in the city of Montreal, and I also discussed the matter with another friend of mine, who is in the real estate business, and got his general view of what the value of the property was or might be.

The CHAIRMAN: Did you ever ascertain what the assessed value was?

Sir HENRY THORNTON: I did not myself, no.

Mr. GEARY: Were you negotiating then with the owner before the resolution authorizing the purchase was passed?

Sir HENRY THORNTON: Yes, I was, Colonel.

Mr. GEARY: You were on your own negotiating for the purchase of this house before it was taken up by the Board of Directors at all.

Sir HENRY THORNTON: I think it probably overlapped, the point of view being that I, as a tenant, could probably negotiate a more satisfactory price than if the company came out and said that they were going to buy it.

Mr. MACMILLAN: At the time you rented the house from Mr. Beardmore, who paid the taxes and insurance?

Sir HENRY THORNTON: The owner.

Mr. GEARY: It was not Mr. Albert Beardmore?

Sir HENRY THORNTON: I am wrong about that. It was Fred Beardmore.

The CHAIRMAN: Instead of Albert.

Sir HENRY THORNTON: Yes. Let the record be corrected.

Mr. BELL: Can you recall, at the time when they were speaking about giving you this bonus by the Board of Directors and at the time of the purchase of this house, was your contract then a renewal contract being negotiated or was it signed?

Sir HENRY THORNTON: It was in course of discussion.

Mr. BELL: Can you remember how many months afterwards the renewal was signed?

Sir HENRY THORNTON: I think that contract was dated some time in October; anyway, in the autumn of 1929.

Mr. BELL: And this was in August or September?

Sir HENRY THORNTON: It was in the latter part of 1929.

The CHAIRMAN: Sir Henry has two contracts, one with the Canadian National Railway Company, dated the 23rd September, 1929, which is a week after the first resolution was passed by the Board of Directors relating to the house. He has a second contract with the Government of Canada, dated the 25th October, 1929.

Mr. GEARY: When you bring the Montreal Trust here, I would like to know what security they got.

The CHAIRMAN: The period of engagement is for five years from the 4th October, 1928, which I presume is the date of the expiration of the previous contract. Is that right?

Sir HENRY THORNTON: I think you are right in that.

Hon. Mr. MANION: So that there was a term of eleven or twelve months during which there was no contract?

Sir HENRY THORNTON: Yes, and during that interim these various things were discussed.

Mr. MCGIBBON: Was not the contract of 1929 made retroactive for about a year?

The CHAIRMAN: It dates back to 1928.

Mr. MACMILLAN: I suppose in addition, the additional salary which you were granted by the new contract would be retroactive too?

Sir HENRY THORNTON: I think that is probably right.

The CHAIRMAN: Yes, that is true.

Mr. BELL: There is no mention made in the new contract regarding the house.

Sir HENRY THORNTON: No.

Mr. BELL: Was there any reason why it should not be mentioned, in your opinion?

Sir HENRY THORNTON: In my opinion there was no reason why it should not have been mentioned at all; but the attitude of the Government at that time was that that was something which rested entirely within the powers of the Board of Directors to take such action as they wished.

Mr. MACMILLAN: When you say the attitude of the Government, was the matter ever brought before the Government?

Sir HENRY THORNTON: Yes.

Mr. MACMILLAN: Before the House?

Sir HENRY THORNTON: I think, in fact I know that the Government of that day had knowledge of the transaction, and their position was that that is something which the Board has entire authority to deal with, and they can deal with it in any way that they think best serves the interests of the country.

The CHAIRMAN: I call the committee's attention to paragraph 3 of the agreement between the Government and Sir Henry Thornton, dated the 23rd October, 1929, which is in the record:—

> *Remuneration.*—The remuneration of the Managing Head for the full and entire services to be performed, from time to time, and for the full period of employment under this agreement, shall be a fixed annual salary (irrespective of the magnitude or extent of the work or duties to be performed from time to time and without any extra fees or remuneration of any description) of $75,000 per annum, payable monthly, but not in advance, less the annual remuneration payable monthly by the Canadian National Railway Company to and receivable by the Managing Head under the Company's Agreement of Engagement during the continuance of the said Agreement of Engagement. . . .

Mr. BELL: Could I ask the chairman this question,—I want to be fair to Sir Henry,—do you think in your opinion that the free rental of the house would be remuneration?

Sir HENRY THORNTON: Are you asking me that question?

Mr. BELL: I am asking the chairman that question.

The CHAIRMAN: That is a very obvious question.

Mr. POWER: We challenge the chairman's jurisdiction.

Mr. GEARY: We should know from the Montreal Trust Company what security they have. It seems a very strange transaction, unless they have some guarantee for repayment.

The CHAIRMAN: Is it not very apparent that they did it on the security of the lease? We will get somebody from the Trust Company.

Mr. GEARY: The only point is to be sure to have the proper officials.

The CHAIRMAN: I will try to do that and call them by telephone.

Mr. Bell's question is, was not the taking of the house extra remuneration in violation of that section of your contract?

Mr. BELL: I asked Sir Henry a few minutes ago if there was any mention made of a free house in his contract; and if there was no mention made of it, why did he not bring it to their attention at the time of the signing of the contract. And he said he thought it was unnecessary as this was a matter with which the Board was dealing.

The CHAIRMAN: I would call to your attention that the very same clause 3, headed "Remuneration" is in the agreement between the Railway Company and Sir Henry Thornton.

Mr. GRAY: There is no question that Mr. Bell is asking a legal question.

The CHAIRMAN: I think myself it is a legal question. It is a question of the construction of the contract.

Mr. GEARY: At all events it is for the committee and is not for the witness to decide.

The CHAIRMAN: Yes, I think so.

The other day Dr. Manion asked for a statement of the purchase of materials for certain years. Is that ready, Sir Henry?

Sir HENRY THORNTON: Yes.

Dr. Manion asked this question: A statement showing the total purchases made by the Canadian National Railways by years from 1923 to 1931.

This is the whole railway, giving you round figures: In 1923, $142,000,000; in 1924, $103,000,000; in 1925, $80,400,000; in 1926, $88,500,000; in 1927, $115,300,000; in 1928, $107,000,000; in 1929, $132,700,000; in 1930, $103,700,000; in 1931, $70,800,000. That includes everything.

Hon. Mr. MANION: I remember, Sir Henry, you gave me altogether different figures, although in proportions they are about the same. You wrote me a letter apropos of nothing at the time, sent by you on May 14, 1931, and you say here,

> As a matter of information, I give below a statement showing the value of material purchased from firms in Canada for use in Canada during the years 1923 to 1930.

And the figures are about the same proportion, and I suppose the difference is made up by the lines in the United States?

Sir HENRY THORNTON: Yes.

Hon. Mr. MANION: I would like to ask Mr. Vaughan these questions, in view of my statement the other day, how it comes that in 1929 the purchases were so much greater than any other year excepting 1923?

Mr. VAUGHAN: The purchases were covered to a large extent by our budget, which, of course, was approved by the Board of Directors and parliament. In 1930, I think, our earnings were about $50,000,000 less than in 1929, and it was but prudent to reduce purchases as much as possible with such a drop in earnings.

Hon. Mr. MANION: In 1928 was your biggest earnings of all, and you bought $107,000,000.

Mr. VAUGHAN: The difference was largely accounted for by the large amount of new equipment purchased in 1929, as compared with 1928.

The CHAIRMAN: I would like to ask Mr. Vaughan a question. Do the requests for the purchase of material and equipment emanate in your department or from other departments?

Mr. VAUGHAN: They emanate in other departments. The other departments have nothing to do with the buying. Their requisitions come to us and we do what is required. After that—We do the buying and they have nothing to do with it. We do not originate the purchases.

The CHAIRMAN: What formalities were gone through in those years? Does the department require equipment or material or supplies simply by making requisitions or does it get the O.K. of the management committee; what is the modus operandi?

Mr. VAUGHAN: It would be approved by the board of directors—for new equipment.

The CHAIRMAN: That would be largely a capital expenditure?

Mr. VAUGHAN: Yes. I said that capital expenditure was much more in 1929 than in any other year, which accounted for our large amount of purchases

and included in that the large amount of new equipment. The other materials which were bought for the improvement of the line were under the budget.

Hon. Mr. MANION: I understand that so far as the purchasing is concerned that we cannot find fault with that because you merely do the purchasing.

Mr. VAUGHAN: We do the buying and the requisition comes to us. When an article is to be purchased we see that it is bought on the best possible terms to the railway.

The CHAIRMAN: Now, following that up. When you get a requisition do you ever turn it back; have you any power to turn back requisitions?

Mr. VAUGHAN: Oh, yes, we have power to turn back requisitions if we think we have something in stock that can be substituted. Frequently we think an article is not needed and we take it up with the party who makes the requisition and ask them if they cannot get along without it.

Hon. Mr. MANION: I am dealing with the particular year of 1928, the earnings, and coming down to 1929, how is it that the purchases were so much in 1929, $132,000,000 as opposed to $107,000,000 in 1928, and as compared with $70,000,000 last year that is 1931?

Mr. VAUGHAN: In 1928 we only purchased $5,500,000 worth of new equipment; in 1929 we purchased $28,600,000 of new equipment: in 1930 $20,000,000. In 1930 we used about 1,000,000 tons less of fuel than in 1929, and that, when all the freight, duty and handling charges are added into it, took care of about $5,000,000.

Hon. Mr. MANION: You used less fuel in 1928 than 1929?

Mr. VAUGHAN: No, in 1930. That accounted for perhaps $5,000,000 of our smaller purchases in 1930 as compared with 1929. New equipment had something to do with it. We also bought less rails. It was quite apparent that our earnings were going to drop and so we bought less.

Sir HENRY THORNTON: The subject which relates to the purchase of new equipment is usually determined upon in the last month or so of the previous year and receives the sanction of the board and the government early in the year. So that early in 1929 when this budget was decided upon and involved a large amount of new equipment in rails, we did not, at that time, foresee the slump which set in as I recall it on or about August 1st or something of that sort, 1929. So that we were committed to the purchase of certain equipment early in 1929 which, had we foreseen the slump in the autumn of 1929 and the further slump in 1930 and 1931 might not have been bought.

Hon. Mr. MANION: That is correct. I do not question that. But you had not bought all of your supplies in advance. You did not purchase all your supplies in the beginning of 1929 for the year 1929; you purchased them throughout the year—a great deal of them?

Sir HENRY THORNTON: I was referring to new equipment. All our new equipment is practically bought at one time, which is usually early in the year.

Mr. POWER: In 1929 when did you give orders for this new equipment?

Sir HENRY THORNTON: I would say those orders for new equipment would be given probably in the autumn 1928 or January, 1929.

Hon. Mr. MANION: Perhaps for new equipment; but for example, you would have bought less coal in 1929 since you did less business. That would be a decrease and you would naturally buy that as you required it, the same as ties in 1929, and the same with various other materials. You would buy them as you require them?

The CHAIRMAN: Contracts for coal are let once a year.

Hon. Mr. MANION: Not for that amount of coal. I want to correct a couple of statements that Mr. Vaughan made here the other day about ties.

Mr. POWER: Would you correct the statement you made the other day that in 1930 the Canadian National Railways purchased $40,000,000 more than the normal requirement.

Hon. Mr. MANION: Yes, I will correct it, because I should have made it higher. If my friend, Mr. Power, will compare 1929, for example, with 1925 he will find the difference is $52,000,000.

Mr. POWER: In 1923 it was $142,000,000. We did not reach that point again in all those years, and the Minister's statement was that during the year 1930, the year prior to the election—

Hon. Mr. MANION: 1929, not 1930.

Mr. POWER: I understood the Minister to say 1930. If he corrects me I will accept it. It was the election year.

The CHAIRMAN: I do not think so.

Hon. Mr. MANION: No, I said 1929.

Mr. POWER: We were talking about politics anyway. Don't let us be hypocrites about it. The Minister was endeavouring to impress the committee with the view that there had been some kind of political influence which forced the Canadian National to make their purchases of that kind prior to the election.

Hon. Mr. MANION: And since my friend mentions it I sincerely believe it is true.

Mr. POWER: Sure—

Hon. Mr. MANION: No question whatsoever.

Mr. POWER: I am not doubting that the Minister says it is true, except that I do not think it is borne out by the statement. Let us come to it. $142,000,000 in 1923. We did not have an election in that year; $102,000,000 in 1924. There was an election in 1925 and we spent only $80,000,000. There was another election in 1926 and we spent $88,000,000. The Minister is comparing the two election years, 1925 when we spent $80,000,000 and 1930 when we spent $103,000,000. That will be something like $20,000,000 difference; and the road had increased in efficiency and in extent in everything. That is to say in 1927 we spent $115,000,000, in 1928 we spent $107,000,000 and in 1929—mind you that was the year that was the most successful the road had ever had—

Mr. MACMILLAN: The boom had burst.

Mr. POWER: The boom had not burst in 1928. At least, I did not know it. I think we were all up to the neck in the boom in 1928 and the beginning of 1929. I think I remember the day that the boom burst; it was in October, 1929. In 1929 early in the year we purchased extra equipment to the extent of about—

Mr. VAUGHAN: In 1929 we purchased $28,600,000 worth of new equipment.

Mr. POWER: $28,600,000 worth of new equipment. That would make the expenses, leaving that out for the moment—that would leave the expenses in 1929 something like $104,000,000. In 1930—

Hon. Mr. MANION: Why leave that out? Why leave anything out? Take the total figures.

Mr. POWER: I am going to ask Mr. Vaughan if we required that extra equipment. Nowhere is there any indication that we spent $40,000,000 more than normal in the year prior to that.

Hon. Mr. MANION: It depends on the year you compare it with. If you compare it with the average year it will be pretty close to $40,000,000.

Mr. POWER: It is not $40,000,000.

Hon. Mr. MANION: If you compare 1929 with 1931 it is not $40,000,000, but $62,000,000 between 1929 and 1931. I say it depends on the year, but the

fact remains, Mr. Chairman, that in 1929, if you leave out the one year of 1923 when they were co-ordinating the roads, 1929 was tens of millions of dollars more than any other year. I will go further, and I can give you proof for this too, there were branch lines put on for $30,000,000 in 1929 when the 1927-1930 branch line program had not been completed, and they amounted to $30,000,000 in 1929, the year before the election. In addition to that, there were dead-head, non-paying roads all over the eastern country and perhaps some in the west bought to the extent of $40,000,000 in the same year, 1929. I do not know whether this is a strange coincidence, but since my friend mentioned it, I would say that the committals in 1929 were $270,000,000, the year before the election—pretty nearly as much as the whole national debt of Canada—the year before the war.

Mr. POWER: I have no objection to the Minister making political speeches and saying that we conducted the affairs of the road badly and spent money on the road, but I would like him to stick to his statement, his positive statement, that we spent $40,000,000 more than normally that year.

Hon. Mr. MANION: I think it is proven by the figures. The figures will have to be read by themselves.

Mr. POWER: That, I think, is a matter of appreciation. I think the Minister will agree with me that I am entitled to look at those figures and appreciate them in my own way. It is all right to interrupt, but don't interrupt the Minister; he loses his temper and gets very angry. Now, if you will let me, I will ask him how that extra expenditure came about.

Hon. Mr. MANION: Keep away from leading questions.

Mr. POWER: Mr. Vaughan is certainly not my witness. Mr. Vaughan, what particular equipment was purchased in 1929?

Mr. VAUGHAN: It was freight cars and passenger cars, and locomotives.

Mr. POWER: In connection with any new lines?

Mr. VAUGHAN: It was the general purchase of new equipment.

Mr. POWER: How does it come that you required so much new equipment that year. Capital equipment?

Mr. VAUGHAN: I was going to say that I think Sir Henry can answer that better than I can. Our earnings that year were $50,000,000 more than the year following.

The CHAIRMAN: What is the relation between earning and requirements for new equipment? Does it follow as cause and effect?

Mr. VAUGHAN: As I say, the requisition for new equipment comes to us, but Sir Henry could tell us better.

Mr. POWER: Sir Henry, could you give us an explanation of that? We have two witnesses, according to precedent.

Sir HENRY THORNTON: Why did we purchase so much new equipment in 1929?

Mr. POWER: Yes.

Sir HENRY THORNTON: The answer is this: The railway had one very large problem on its hands, and that is it had to deal with a large amount of wooden under-frame freight cars which were rapidly becoming obsolete and would be shortly refused in inter-change with other railways. That is a problem which has been concerning us ever since January 1, 1923. It was a problem which had given the officers of the company and myself, a great deal of anxiety—how we were going to replace this equipment without placing too great a burden on capital expenditures in any one year. In 1928 the performance of the road from the financial point of view had been a good one, and we decided, supposing that

prosperous times were to continue, that we had better, in 1929, try to catch up with some of this equipment which we knew perfectly well would shortly become obsolete. Then we were also anxious to increase the tractic power of our locomotives for economical reasons. Furthermore, our business generally was improving. The outlook for the future was good. And we thought that also we ought to put our passenger equipment in better shape to meet the demands of competition. And for all these reasons, and particularly having regard for the financial showing in 1928, we felt we ought to commence, as a matter of prudence, in 1929 to overtake some of these renewals both in locomotives and freight cars, and also for the purpose of adding to our passenger equipment, and we felt we should do that in 1929. That is briefly the story in a general way.

Mr. POWER: You say that this decision to purchase this extra equipment would have been taken by the directors some time before the end of 1928 or the beginning of 1929?

Sir HENRY THORNTON: It was taken in the autumn of 1928 in preparing our plans for what we should do in the way of new equipment for 1929.

Mr. MACMILLAN: In view of the Minister's statement that the Government were committed to $270,000,000 in connection with expenditures on the National Railway when Dr. Manion became Minister, let me ask him what course he pursued in endeavouring to eliminate any portion of that $270,000,000. Were you able to cancel any of the commitments?

Hon. Mr. MANION: Oh, yes; the branch lines bill that we passed last evening is part of the 1929 commitment—the extension of the time for building those—and the Montreal Terminal was part of that commitment. I was speaking of the 1929 commitments—I use the word "commitment." I do not wish to go into the tie question, but we have some misstatements of Mr. Vaughan and I wish to correct them. Mr. Vaughan was speaking of the purchase of ties and in replying to the Chairman said:—

> At the time we were using about 10,000,000 per annum.

That is part of his statement. I have a statement since from Mr. Fairweather on behalf of the company, and he makes the number of ties they used per annum, during this big purchase I discussed the other day in 1928 when they used 8,521,000 ties or eight and a half million ties, and not 10,000,000 ties and they never reached that figure of 8,521,000 any other year at any time between 1923 and this year. Mr. Vaughan referred to the figures that they were using as 10,000,000 ties a year.

Mr. VAUGHAN: I would not like to say that we used that year, in 1928, 8,521,000 for maintenance purposes, but we used 1,981,000 for construction purposes, making a total of 10,561,000.

Hon. Mr. MANION: What year is that?

Mr. VAUGHAN: 1928.

Hon. Mr. MANION: I am taking the figures supplied by Mr. Fairweather. He came to me with a computation. Do you mean that there were some other ties besides the figures he gives me?

Mr. FAIRWEATHER: Mr. Smart asked me for a statement of ties laid in replacement for the Canadian National Railways. I gave him that statement, and I told him at the time. I specifically stated in a letter that it was nothing except ties laid in replacement. I stressed to him that it might be desirable to furnish the ties laid in new construction in addition, for which he had not asked, and he stated that he would like to have that same statement. That statement was not handed to him simply for the reason I was too busy to get it.

Hon. Mr. MANION: All right. I will accept the statement. I will withdraw that since there is a correction which Mr. Fairweather makes in this letter to Mr. Smart.

The CHAIRMAN: Your information was faulty.

Mr. FAIRWEATHER: It was not faulty.

The CHAIRMAN: Excuse me; it was faulty.

Mr. FAIRWEATHER: It answered exactly what Mr. Smart asked for.

The CHAIRMAN: Pardon me. Will you please keep quiet. You are here as a witness. Let us have this understood. No official of the Canadian National Railways is going to come here and take charge of this Railway committee.

Mr. POWER: No Chairman of this committee has a right to put words in the mouth of the witness that he did not say, to characterize his evidence as being other than straightforward.

The CHAIRMAN: I agree with your statement that I have no right to put words in his mouth that he did not say. I did not say that Mr. Fairweather had used the word faulty or anything of the sort, but that is the way it appeared to me. In an effort to explain the situation there has been a misunderstanding. If the word "faulty" is not the correct word I unhesitatingly withdraw it.

Mr. DUFF: That is all right.

Mr. POWER: Hear, hear.

The CHAIRMAN: It has been due to a misunderstanding.

Mr. POWER: Now we are all friends again.

Hon. Mr. MANION: May I say a word here. The statement given me by Mr. Fairweather was in reply to a request of mine through my Deputy Minister. I asked my Deputy Minister to find out how many ties had been used by the Canadian National in various years. He got it from Mr. Fairweather. True, Mr. Fairweather speaks of the number of ties used in replacement. I knew nothing about other ties. He does not say there were any others. I accept the correction of Mr. Vaughan as correct in regard to the 10,000,000 ties. Mr. Fairweather did not put in any other ties besides replacement. I withdraw that.

Mr. POWER: Read the letters.

Hon. Mr. MANION: I have not seen Mr. Smart's letter. I have seen Mr. Fairweather's letter which was handed to me by Mr. Fairweather. I accept the 10,000,000 ties figure. But there were a couple of other statements to which I wanted to refer. I was wrong in this connection; I got information that was not complete. It was not intentional, and I make no charge in that respect; but it was not complete as far as I was concerned, and it was given to me by Mr. Smart, apparently as complete information. Apparently, Mr. Smart is the man who gave me some information that is not correct. I am not saying anything about that. I am accepting the statement, and I am withdrawing my charge about the 10,000,000 ties.

Mr. POWER: You are quite right; but if you had read Mr. Fairweather's letter.

Hon. Mr. MANION: Mr. Smart, when you gave me this letter, which does not tell the number of ties used completely by the Canadian National Railways in those years—

Mr. SMART: That first statement is as I took it out of the book.

Hon. Mr. MANION: You gave this letter from Mr. Fairweather to me just the other day, April 28th. I asked you to get me the total number of ties used by the Canadian National by years and you handed me this as an answer. Now, it appears that there are a couple of million ties not in this.

Mr. SMART: That is my understanding, that that is a complete statement.

Mr. POWER: Will you read Mr. Fairweather's letter?

Hon. Mr. MANION: Yes. I have no desire to misrepresent anybody. This is a short letter. This is the letter which Mr. Smart gave me in answer to my question:

I believe you asked Mr. E. E. Fairweather for information as to the number of ties used in replacements—

That is the word he uses now:—

. . . .That is, the number of ties actually placed in track in tie renewals—

I did not know there were any others besides that:—

. . . .The figures are as follows for the Canadian National system including eastern lines, but excluding the Central Vermont.

It goes on from 7,000,000 up to eight and a half million in various years:—

The above figures, of course, exclude ties placed in new works.

Mr. DUFF: Mr. Fairweather was absolutely right, and the Chairman had no business to call him down.

The CHAIRMAN: I did not call him down in respect to his statement, but I do object to any official of the Canadian National Railways coming here and trying to take charge of the committee.

Mr. DUFF: He was not taking charge of it.

The CHAIRMAN: That was the effect on my mind.

Mr. DUFF: It was an insinuation he was not telling the truth, and his statements were perfectly right.

Hon. Mr. MANION: I accept it as a mistake on my part. I quote Mr. Vaughan again:

At present we are using only about 5,000,000 ties per annum.

That statement is incorrect, for in this letter of Mr. Fairweather it says that in 1930 they used over 6,000,000 ties and in 1931, six and a half million ties, so that Mr. Vaughan, was, at least, a million and half short in that statement. He made the statement, and I am reading his words.

Mr. POWER: I think Mr. Vaughan was discussing purchases.

Hon. Mr. MANION: No, he was not discussing purchases. We were discussing the number of ties used, and I am quoting his exact words. On page 91—the other part I have accepted as my mistake—he says:

At present we are using only about 5,000,000 ties per annum.

According to this, without any ties used in new work he was a million and a half short, because in 1931 we used 6,588,000 and in 1930, 6,309,000. That does not include those ties placed in new construction. Now, there is another figure I want to put on record.

Mr. BEAUBIEN: Why not let Mr. Vaughan explain it?

Mr. VAUGHAN: When I was speaking I was giving more or less round figures, but I think part of the difference might be accounted for in that I was dealing to some extent with ties used on Canadian lines whereas I think that includes all ties, United States as well as Canadian.

Hon. Mr. MANION: This excludes the Central Vermont?

Mr. VAUGHAN: My figures did not include the Grand Trunk Western.

Hon. Mr. MANION: You were one million and a half short. I will tell you what I think Mr. Vaughan was doing. He was trying to make a picture. I say that quite frankly.

Mr. POWER: Does the Minister think it is fair to treat one of his own officers in that way.

Hon. Mr. MANION: Mr. Vaughan did not treat me fairly the other day when he took the attitude that there was a difference between this year and the previous year.

Mr. BEAUBIEN: You were not treating Mr. Vaughan right the other day.

Hon. Mr. MANION: Let Mr. Vaughan speak for himself.

Mr. POWER: The Chairman will not let any of the officers speak; we have to speak for them.

Mr. VAUGHAN: I think I have tried to give evidence in a way that would not be misleading to anyone. As I say, about these 6,000,000 ties—

Hon. Mr. MANION: I would like to put one more figure on record. In 1929, according to this same statement of Mr. Fairweather's, they had 11,122,000 ties on hand, which was well over the year's supply. Nearly 13,000,000 or 14,000,000 ties were bought in 1929.

Mr. VAUGHAN: I do not know where the Minister got those figures, but they do not agree with my figures.

Hon. Mr. MANION: I got them from Mr. Fairweather, your statistician, in the same letter he has just sworn by as being correct.

Mr. POWER: I think we will have to publish that letter.

Hon. Mr. MANION: Certainly. I will give the letter complete. There is none of it confidential.

Mr. POWER: Let us have Mr. Vaughan's purchasing statement to put alongside that letter.

Mr. VAUGHAN: My figures show at the end of 1927 that we had on hand on Canadian lines 4,838,552 ties.

The CHAIRMAN: This figure shows 9,428,000.

Hon. Mr. MANION: December 31, 1927, this letter of Mr. Fairweather's, shows 9,438,000 on hand.

Mr. VAUGHAN: That certainly does not agree with my figure. At the end of 1928 my figures show 7,108,948.

Hon. Mr. MANION: What do you say for 1929?

Mr. VAUGHAN: 10,804,655.

Hon. Mr. MANION: This shows 11,122,000. That is close enough.

Mr. VAUGHAN: I think there must be some mistake. At the end of 1930, we had on hand 11,436,717. My statement says at the end of 1927, the year before we ordered the large number of ties—we had on hand 4,838,552.

Mr. POWER: What did you have in 1931?

Mr. VAUGHAN: 8,879,000 on hand.

Mr. POWER: 8,000,000 on hand at the end of 1931?

Mr. VAUGHAN: Yes.

Mr. POWER: Of which 4,000,000 had been purchased in 1931?

Mr. VAUGHAN: Yes.

Mr. POWER: Now, would you give me the list of the persons from whom you purchased ties in 1931? Mr. Chairman, you did not rule that out of order the other day.

Hon. Mr. MANION: I think the committee ruled it out of order.

Mr. POWER: No. Let us get that cleared up.

Mr. STEWART: Mr. Chairman, could I get a little information in regard to private cars used by the Company's officers?

Sir HENRY THORNTON: Yes. Any information you want to ask for.

Mr. STEWART: I would like to know what officers used private cars for the latter half of 1930, and their destination. I would also like to have the expense accounts of R. W. Deacon and L. V. Hummel for the last half of 1930.

Sir HENRY THORNTON: The last six months?

Mr. STEWART: Yes. And I would like to have the salaries and fees and expenses paid by the C.N.R. or any of its subsidiaries to G. A. Gaston from 1923 to date.

Hon. Mr. CHAPLIN: I would like information as to what officials of the Canadian National Railway have—not private cars—but automobiles at the expense of the company?

Mr. GRAY: I would like to have the comparison of the number of tons of freight moved in 1925 as compared with 1929 and the number of passengers carried in 1925 as compared with 1929.

Mr. BEAUBIEN: May I ask Sir Henry if he could give us the reduction in mileage, train mileage that took place last fall in agreement, as I understand it, between the two railway companies. There were certain reductions in train miles all over the system. Will you give me the information as to the number of train miles and the reduction by the Canadian National Railways and by the Canadian Pacific Railway.

Sir HENRY THORNTON: I do not know—

Mr. BEAUBIEN: I am speaking of a reduction of service. There was an agreement between the two railways that there would be certain reductions, and it was done in that way.

Mr. POWER: In which the C.N.R. got the dirty end of the stick.

Sir HENRY THORNTON: I think we can measurably answer the question.

Mr. MCGIBBON: When Mr. MacMillan and I visited Montreal two weeks ago we asked for certain information. So far it has not been produced. Probably they have been too busy. The session is getting near its close, and I move that this information be produced.

Complete letter to Mr. Smart from Mr. Fairweather follows:—

CANADIAN NATIONAL RAILWAYS

MONTREAL, QUE.

At OTTAWA, April 28, 1932.

W. I. SMART, Esq.,
Deputy Minister, Dept. Railways and Canals,
Ottawa, Ont.

DEAR SIR,—I believe you asked Mr. E. E. Fairweather for information as to the number of ties used in replacements; that is, the number of ties actually placed in track in tie renewals. The figures are as follows for the Canadian National System, including Eastern Lines but excluding the Central Vermont:

1923	7,089,000
1924	7,374,000
1925	7,434,000
1926	8,411,000
1927	8,334,000
1928	8,521,000
1929	8,031,000
1930	6,309,000
1931	6,588,000

The above figures, of course, exclude ties placed in new works.

As possibly being of interest to you, the tie stocks on hand at December 31st of untreated ties, ties awaiting treatment and treated ties from 1926 to date are as follows:

December 31, 1926	4,635,000
December 31, 1927	9,428,000
December 31, 1928	7,332,000
December 31, 1929	11,122,000
December 31, 1930	11,729,000
December 31, 1931	9,014,000

Yours faithfully,

(Sgd.) S. W. FAIRWEATHER.

The Committee rose to meet at 4 o'clock.

AFTERNOON SITTING

The Committee resumed at 4 p.m.

The CHAIRMAN: Gentlemen, what shall we take up this afternoon? It is suggested that we go ahead and finish with answers to questions asked at a previous meeting.

Sir HENRY THORNTON: Col. Cantley asked this question:

> Memorandum showing operating expenses (including taxes paid, if any) on all hotels owned and operated by the Canadian National Railways, during the calendar years 1930 and 1931; also total capital cost of Nova Scotian Hotel, Halifax, as at December 31, 1931, subdivided as to land, buildings, furnishings, together with a statement showing the amount, if any, written off for depreciation between the date of the opening of the hotel and December 31, 1931.

The answer is: Operating expenses, including taxes paid, $3,292,040.70 for the year 1930, and for the year 1931, $3,144,940.36. There is a reference also to page 45 of the annual report: Total cost of the Nova Scotia hotel as at December 31, 1931, subdivided between land, buildings and furnishings: Total capital cost $2,440,927.86. Divided:

Land	$ 126,263 32
Buildings	1,738,443 41
Furnishings	576,221 13
Total	$ 2,440,927 86

No depreciation written off.

The CHAIRMAN: Sir Henry, I thought the Nova Scotia hotel had been built on land which was the property of the railway. I see an item there of $126,000?

Mr. FAIRWEATHER: I do not think any land was purchased.

Sir HENRY THORNTON: Do you happen to know anything about that, Mr. Hungerford?

Mr. HUNGERFORD: No, I do not.

The CHAIRMAN: I was rather surprised to see that the land was bought.

Mr. DUFF: There was some land purchased in front of the hotel. I do not know how much it cost.

Sir HENRY THORNTON: I do not think there was.

Mr. CANTLEY: There was a large quantity of land bought in front of the hotel.

Mr. FAIRWEATHER: My reference here is:

> Halifax, general prominence overlooking Halifax Harbour, crown property. Was decided that the land for hotel purposes would be charged thereto and it was transferred to the hotel account.

That is my note.

The CHAIRMAN: It is just an appraisal and distribution.

Sir HENRY THORNTON: I think that is true, but we had better have a note made of that and make sure of it.

The CHAIRMAN: Find out whether any portion of the land was bought for the purposes of the hotel in addition to the terminal.

Sir HENRY THORNTON: The next question is one asked by Dr. McGibbon:

> What will be the total investment in hotels owned by the Canadian National Railways system when the present program of construction is completed?

My answer is: Total investment on hotels will be $37,696,494.03.

The CHAIRMAN: Can you give us any distribution of that?

Sir HENRY THORNTON: Yes. It was not asked for.

Mr. MACLAREN: Chateau Laurier, $8,639,000; Highland Inn and Camp, $172,000; Bessborough and Saskatoon, $2,624,000; Fort Garry, $2,886,000; Macdonald, $2,226,000; Prince Arthur, $1,177,000; Prince Edward, $523,000; Grand Beach, $418,000; Nipigon Lodge, $37,000; Jasper Park, $2,576,000; Vancouver Hotel, $5,958,000; Nova Scotian, $2,440,000; Minaki Inn, $1,090,000; Charlottetown Hotel, $853,000; Pictou Lodge, $200,000; Total, $31,828,000 plus estimated cost to complete Vancouver Hotel, $4,473,000, Saskatoon, $1,125,000; Total, $37,696,494.

The CHAIRMAN: Does that $37,000,000 include the expenditures to be made at Vancouver and Saskatchewan?

Sir HENRY THORNTON: Yes.

The CHAIRMAN: So it has not already been spent?

Sir HENRY THORNTON: No. It may not all be spent. Now, Mr. Bell asked for a statement showing:—

> A comprehensive statement regarding the Montreal terminals.

Here is as comprehensive a statement as we can prepare, and I do not suppose you want me to read that. Perhaps the best way would be to file it for Mr. Bell's examination.

The CHAIRMAN: What is your next question?

Sir HENRY THORNTON: Col. Cantley asked this question:—

> In 1931 what profit accrued from the operation of your foreign lines in the United States?

The answer is: The operation of the United States lines of the Canadian National Railways in 1931, resulted in an operating profit of $1,189,853.57. After provision for taxes, equipment, rentals, fixed charges due the public and so forth there was a loss of $4,191,527.12. Prior to the depression these lines showed a substantial profit after those charges, and the value of those United States lines to the rest of this system is not reflected completely by the above figures. A very considerable volume of traffic is interchanged between the parent system and these subsidiaries much of which is dependent upon the

continuing control of them. The gross earnings to the Canadian lines of a freight interchange with these United States properties in the ten-year period amounted to more than $150,000,000.

Mr. CANTLEY: With regard to that statement and that situation, I have always held the view that whatever warrant we had for operating railways in the Dominion of Canada we had no warrant for operating railways and owning railways in a foreign country. I think we have got an obligation enough in connection with our own road. I think we are taking a risk in connection with operating roads in a foreign country. Some day we may regret it. We spent a good deal of money in the last ten years in connection with these roads, and I can only again record my objection to our continuing to operate a railway property in a foreign country.

Sir HENRY THORNTON: In that connection, Mr. Chairman, as a matter of information to the committee, the committee will, of course, be aware that the position of the two lines which we own in the United States, namely, the Central Vermont and the Grand Trunk Western, came to us as legacies from the old Grand Trunk system.

The CHAIRMAN: And the Portland lines?

Sir HENRY THORNTON: The Portland line as well. That is to say, when the Government took over these properties they took over the whole Grand Trunk system and these properties, of course, followed along quite naturally. Now, there has been some discussion and there have been questions raised as to the wisdom and, perhaps, even the profit of a Canadian Government railway retaining as Col. Cantley pointed out, railway lines in a foreign state. As far as complications are concerned which might be regarded as international in character we have thus far succeeded in getting on very amiably with the Interstate Commerce Commission, with the representatives of the various states through which these lines run and, as a matter of fact, one might say with truth that our relations with public bodies in the United States are extremely cordial, and they have shown no desire to embarrass the Canadian National or the Canadian Government, and have rather looked upon these lines as a neighbourly performance. In fact, I think I can say safely that our relations with the Interstate Commerce Commission are even more cordial than a good many American railways enjoy. So that speaking from nine years' experience with this property I have not seen any indication or desire on the part of anyone, either private individuals, private enterprises, state legislatures or the United States Government, to embarrass the Canadian National Railways in its ownership of these lines. Of course, out of a perfectly clear sky unexpectedly something might turn up; but I can only say as the result of nine years' experience that our relationship with respect to these lines has been extremely gratifying. Now, in the matter of profit—

The CHAIRMAN: Before you leave the question of ownership, is it not a fact that the ownership of the Grand Trunk Western and Central Vermont and the Grand Trunk line to Portland is by way of stock ownership vested in the Government? That is true of all three, is it not?

Mr. FAIRWEATHER: The stocks are held by the Canadian National Railway.

The CHAIRMAN: We have all that stock; so it is really stock ownership. I cannot, for the life of me, conceive of any likely international problem that may arise.

Hon. Mr. EULER: While there might possibly be what might be called international complications, I have not very much fear of that. I would like to ask Sir Henry's opinion as to the values of these United States properties.

The CHAIRMAN: That is another aspect he is coming to.

Hon. Mr. EULER: Yes, as feeders to the Canadian National Railways. We would not want to lop off an arm or a leg.

The CHAIRMAN: I never could understand any objection from the standpoint of corporate ownership in holding lines in the United States.

Mr. CANTLEY: I do not think that is correct. Especially so far as Grand Trunk Western is concerned I have not anything to say at the moment, but I want to point out that the Vermont Central went into bankruptcy and we stepped in and rescued it, and I think I am right in saying that we spent a considerable amount of money in connection with it. Is that not correct?

Sir HENRY THORNTON: That is true; but what happened there—

Mr. CANTLEY: You have a capital investment in a foreign country.

The CHAIRMAN: By stock ownership.

Mr. CANTLEY: I don't care what ownership you have. We put our money in there and we cannot get it out.

Sir HENRY THORNTON: What happened there was this: About five years ago there was a very disastrous flood in Vermont and a large proportion of the mileage of the Central Vermont was wiped out. We had to spend—I think it was—about $3,000,000—I can give you the figure exactly—it was a substantial sum, in rebuilding that railway. At the time we rebuilt it we rebuilt bridges strong enough to take heavier motive power and generally improve the line. In order to accomplish all of these purposes without endangering the position of the Canadian National Railways and its ownership of the Central Vermont we put the railway in receivership. Now, when it emerged from receivership and was rebuilt in a more efficient condition, frankly to my surprise I was shown an earning power which I did not know it had or which I did not think could be developed. In the first year or two, or up until the time the depression struck us, the Central Vermont earned enough to pay the interest on all of its fixed charges and surplus besides which never before had happened in the history of the country. In fact, in 1929 it earned $6.79 per share on the common stock. So that the property instead of being a liability is really an asset and would have continued an increasing asset had it not been for the depression which, of course, brought all railways on the North American continent into a very precarious financial position.

The CHAIRMAN: What is the capital expenditure represented by the mortgage?

Sir HENRY THORNTON: The old Grand Trunk Company guaranteed certain bonds, and then, to rehabilitate the property after the flood, we put on, I think, some additional bonds.

Mr. FAIRWEATHER: About $5,000,000.

Sir HENRY THORNTON: My recollection is that that loan was guaranteed by the Canadian National. So that we own all the common stock in the company and the original bond issue; and the subsequent bond issue to rehabilitate the railway after the flood were sold to the public. Those bonds are guaranteed by the Grand Trunk with respect to the original issue, and I think by the Canadian National with respect to the second flood issue.

The CHAIRMAN: What is the total outstanding liability to the public in respect to the Central Vermont?

Mr. MCLAREN: $2,051,000.

Sir HENRY THORNTON: We own all the bonds and stock.

Mr. POWER: Did you not say a stock issue of $5,000,000 after the flood to the public?

Mr. FAIRWEATHER: No, at the end of the receivership of the Central Vermont, the Canadian National interest in the Central Vermont consisted of $10,000,000 common stock, $5,000,000 debentures, and $12,000,000 bonds, total, $27,000,000.

Sir HENRY THORNTON: And the Canadian National owns the whole thing, we own all the bonds, debentures and stock.

Mr. FAIRWEATHER: In addition to that, there are Equipment Trust Notes.

Mr. CANTLEY: How much new money did we put in the road?

Mr. FAIRWEATHER: At the time when we bought the receivers' certificates?

Mr. CANTLEY: Yes.

Mr. FAIRWEATHER: $5,000,000.

Sir HENRY THORNTON: As it stands to-day, the Canadian National owns all the bonds, stock, debentures and securities.

Mr. GRAY: What is our total investment in the road?

Sir HENRY THORNTON: About $27,000,000.

The CHAIRMAN: That is giving full par value to the common stock.

Sir HENRY THORNTON: As I have pointed out, in 1928 the stock earned 6·7 per cent.

Mr. GRAY: What did the road actually cost, capital account?

Sir HENRY THORNTON: You are asking how much money actually went into the property? I do not believe I can answer that offhand, but we can get it.

Mr. MACLAREN: The present investment of the Canadian National in the Central Vermont is $27,000,000. It took up on account of the receivership $11,860,000.

The CHAIRMAN: And we have actually got in cash $27,000,000?

Mr. MACLAREN: I cannot say whether we paid par for the stock or not.

Sir HENRY THORNTON: I think if you want a statement of the situation it had better be gone into with more care than one can give it offhand. We will give it to you to-morrow, exactly.

The CHAIRMAN: On page 27 of this annual report under the heading "Schedule of Companies comprising the Canadian National Railway system," the total for the Central Vermont group is listed as $13,070,133, which includes a lot of little companies. The Central Vermont proper is listed at $10,000,000. That is issued capital stock, I understand. But in addition to that, you hold all the bonds or other securities issued by the concern, which have a face value of $38,000,000. But I did not understand you to say that we have actually put in $38,000,000 in cash.

Sir HENRY THORNTON: No, I think that will have to be gone into more carefully.

Now with respect to the Grand Trunk Western and the value of that property to the Canadian National, for the last six years various transportation interests in the United States have indicated a desire to buy that property. I have had myself two or three suggestions from two or three of the larger railway systems in the United States that they would like to acquire the property. But at that time, I did not feel that the time had arrived to sell the property to the best advantage. In other words, even if you want to sell a property, you do not sell it to the first person that makes an offer. My feeling was that in view of the consolidations that were coming about in the United States, it would be unwise to sell the property, and if we did want to sell to wait until some of these consolidations were approved, and at that time we could probably have a little competition in buying, and dispose of the property to more advantage.

When you come to consider the value to the Canadian National Railways of the Grand Trunk Western and Central Vermont, you have to remember this, the Central Vermont plus the Canadian National line from Montreal through to Detroit, plus the Grand Trunk Western into Chicago, constitute a through route for freight from points in Michigan, and west, north and south of Chicago, straight through to New England points. And the people of New England have been very jealous of that route, because it is a competitive route with the other railway lines through New York and over the Poughkeepsie bridge and through the Hoosiac tunnel to the west, so that our route is a competing route with these other routes for freight from points in Michigan and west of Chicago to New England.

That route, of course, is obviously valuable to the people of New England; it is equally valuable to us. Also, you have to remember that the Grand Trunk Western gives us an entrance into Chicago. You are all sufficiently familiar with the geography of the United States to know that a number of very important railway lines focus in Chicago. It puts the Grand Trunk in a position to connect directly with all western railways at Chicago, and get its share of through business. Some of that business goes to New England, but a great deal comes across the peninsula of Ontario to the Niagara gateway, and is there delivered to connecting roads. So you see our entrance into Chicago gives us an opportunity to move freight across the Ontario peninsula to the Niagara gateway, or through Ontario and part of Quebec and by way of the Central Vermont into New England. Every pound of that freight not only brings increased business and increased revenue to the Canadian National Railway, but it gives very considerable employment to Canadians who are working in Canada. That is to say, if we did not have that freight to move, we would employ fewer engine men, firemen, conductors, and so on. So, not only is the business itself profitable, but it also affords an opportunity of giving employment to men who otherwise would not be employed.

As a matter of policy and strategy I should very strongly advise against disposing of either the Central Vermont or the Grand Trunk Western unless the price were that which compensated us for other losses which we might experience in the matter of traffic.

The CHAIRMAN: Or traffic arrangements made. Now what about the Portland branch?

Sir HENRY THORNTON: That is briefly the story of those two lines, but you must remember that they came to us as an inheritance from the old Grand Trunk, we have tried to make the best of it.

The CHAIRMAN: What about the line to Portland?

Sir HENRY THORNTON: That is not a very encouraging picture. There was a time during the old Grand Trunk regime when a large amount of grain moved via Portland. That traffic has pretty well disappeared, and if anyone would like to buy that line I think we would be very glad to sell it. I do not think it is of any great value to the system. But we have got it and we cannot give it away.

Mr. POWER: It would pay the people of the Maritimes to buy it and scrap it?

Sir HENRY THORNTON: It is not bothering the Maritimes to-day. It is almost negligible.

The CHAIRMAN: What about the movement of traffic from New England west, by your line?

Sir HENRY THORNTON: Most of it moves by the Central Vermont, not a great deal by the Portland branch. The possession of the Central Vermont gives us,

of course, direct access to New England, puts us in a position to exchange important traffic with the Boston and Maine, and the New York, New Haven and Hartford.

Hon. Mr. EULER: You say now you would be glad to dispose of that road to Portland. Would you say it would be a better proposition from a revenue standpoint if you did carry your freight, any kind of commodity, wheat or anything, which goes overseas, wouldn't it be better business for the railway to take it to Portland, putting it on a straight dollars and cents basis, than hauling it to Halifax, 500 miles farther, or St. John.

Sir HENRY THORNTON: There is no good fooling ourselves about that, obviously the shorter the distance you can move your freight, provided you get the same rate out of it, the more money you make.

Hon. Mr. EULER: If there were no such sentiment as that which demands that this freight go through Canadian territory to Saint John and Halifax, would you not as a railway man prefer to haul it to Portland?

Sir HENRY THORNTON: I want to preface my reply with this statement; perhaps you will forgive me if I merely express my views as a Canadian, if I may call myself such, although some may doubt it. Still I would like to give my views as a Canadian. To begin with I have always felt that Canada owes a certain debt to the ports of Halifax and Saint John because those are the only ports which are open all year round and give to the people of Canada uninterrupted access to the Atlantic ocean without passing through foreign territory. If we did not own the ports of Halifax and Saint John, during the winter time, the season of closed navigation, the people of Canada, except by the use of foreign soil, would be closed to the Atlantic ocean. Personally I think, looking at it from the National point of view, that that is of great strategic importance. I do not think it is a thing that should be idly thrown away.

Having that in mind, we have done our best on the Canadian National, and I am sure the Canadian Pacific has done the same, to encourage wheat shipments through Halifax and Saint John. Of course we are more interested in Halifax than Saint John, but both railways have interests more or less at both places, though the Canadian Pacific Railway has not much at Halifax. So we have done all we could, and rates have been so constructed as to encourage grain shipments for export through those ports. But in spite of all that we have been able to do, in spite of all everyone can do, the grain will not move that way. The bulk of our export grain moves through Montreal and Quebec or through Buffalo to New York, and to a lesser extent, Boston, Philadelphia and possibly Baltimore.

Mr. BEAUBIEN: In other words, you have to cater to the wishes of the shipper.

Sir HENRY THORNTON: We cannot control the shipper. I think any traffic man, if you brought the traffic vice-president of the Canadian Pacific Railway here I think he would confirm the statement that no railway can control in these days the port of destination for export merchandise.

Hon. Mr. EULER: Is this true, that the more traffic you obtain to the Maritime ports the more money you lose?

Sir HENRY THORNTON: That is unquestionably true. But I prefaced my remarks by pointing out what I thought was the strategic advantage of those two ports as giving Canada access during the season of closed navigation to the Atlantic ocean. Now, if you ask me a straight question based on economics—

Hon. Mr. EULER: That is what I want.

Sir HENRY THORNTON: Certainly it is much more profitable, we would make more money out of wheat that goes to Portland than to Halifax. That is so plain one need hardly enlarge upon it.

Hon. Mr. EULER: May I ask one other question? Is there any special advantage, if so in what does it consist, in the railway hauling freight say to Halifax—I have no prejudice against Halifax—or Saint John, what great benefit inheres to those ports by reason of the fact that wheat goes through them? I have an idea that it does not give a great deal of employment, it is pretty much a matter of sentiment. Am I right or wrong?

Sir HENRY THORNTON: It is hard to say how much money accruing from the movement of traffic through a port sticks to the people who live in that port.

Hon. Mr. EULER: Does it give much employment?

Sir HENRY THORNTON: Some, there would be the employment you find at a busy elevator?

Hon. Mr. EULER: How many people?

Sir HENRY THORNTON: I could not answer that, but I have always maintained that the profit which accrues to individuals living in a city that is a port, does not vary very much with the amount of traffic passing through. Take Halifax for example, curiously enough the best business which Halifax got last year and which they will get this year are these so-called show boat cruises in which steamships like the Aquitania or the Olympic will bring a whole boat load of passengers, tourists, to Halifax for 24 hours. Those people go out through the city and they must leave a fair amount of money behind them. I believe there is more money accruing to the citizens of Halifax from that kind of trade, as far as shopkeepers and others are concerned, than would result from the movement of several million bushels of grain, because a bushel of grain simply goes in and goes out. But tourists who stop 24 or 36 hours in a city are sure to leave a certain amount of money behind them.

The CHAIRMAN: But that is a very ephemeral business. But in addition to the labour that is employed in connection with the grain and other freight traffic there are immense sums spent by these steamships in the port in the purchase of supplies. Not a port of call, but where they turn around.

Sir HENRY THORNTON: That is true.

The CHAIRMAN: That is the most important feature of the whole business.

Hon. Mr. EULER: For the carrying of wheat?

The CHAIRMAN: Any ship. The provision bill, for instance. Mr. Duff knows about that as much as anyone.

Mr. CANTLEY: I will make an attempt to answer Mr. Euler to some extent. As far as the movement of wheat through the port of Halifax or any other port is concerned, it certainly provides less employment than any other class of freight. There is no question about that. But this also is true; take the case of the Canadian Pacific and the handling of their boats at Saint John, they put a boat in with the capacity of say 15,000 tons. She has six or seven or eight thousand tons of package freight and general cargo. She has room for four or five thousand tons additional. She fills that up with grain. If she did not, she would go that much light. Now that is a basic fact, and that will account for four-fifths or perhaps nine-tenths of all the grain shipped through Saint John. Any money they get for carrying that grain is just so much found money on that voyage. That continues all through the season, particularly the winter season, but to some extent the summer as well. Now if the Canadian Pacific Railway sent their bigger boats to Halifax, as they likely will, they will find it will be profitable to do the same thing, to bring a certain quantity of grain to fill up those big ships.

I have already expressed myself in the House in regard to the conditions, which I am afraid our Halifax people do not realize, in regard to the movement of grain through the American ports. There is a reason for that which I do not think we can get over, and that is in connection with the ballasting of these

big boats, twenty to forty thousand tons, with enormous over-structures, which must receive and carry on their western or eastern voyages a large amount of dead weight, either water ballast which pays nothing, or if they can get grain they are glad to take it at any rate, down to half a cent a bushel. I have said it in the House already, I have actually known cases where these bigger boats in the winter paid a premium to get grain to give them the necessary stability and make them safe in the winter.

Those are great difficulties. As I have said, I do not look forward to any great movement of grain through Halifax. The Canadian Pacific Railway are taking charge of Saint John and will continue to move a considerable tonnage through that port, due to the reasons I have tried to explain.

Hon. Mr. EULER: One more question. I understand that the rate for carrying a bushel of grain to Portland or Halifax, which I think is 500 miles farther from Montreal than Portland, is exactly the same.

The CHAIRMAN: One cent more.

Sir HENRY THORNTON: I think there is a differential of one cent per one hundred pounds.

Hon. Mr. EULER: It does not pay does it? It is all down hill.

Sir HENRY THORNTON: Mr. Kennedy asked this question:

> Statement in respect of all legal expenses, of all sorts and descriptions, whether paid to whole time lawyers of the company, or paid in the form of fees to those who are outside the company's services, for the years 1929, 1930 and 1931, these expenses to be divided between expenses of regular legal staff and payments made to outside firms or lawyers.

Answer:

	1929	1930	1931
Salaries	$ 373,863 51	$ 381,514 48	$ 366,232 69

The CHAIRMAN: How many men in 1929, 1930, and 1931?

Sir HENRY THORNTON: I have not got that. We can get it.

Mr. BEAUBIEN: The lawyers certainly have an awful monopoly in this country.

Sir HENRY THORNTON (continuing):

	1929	1930	1931
Retaining Fees	$ 17,233 13	$ 13,146 39	$ 12,467 31
Fees paid outside lawyers	163,351 06	119,859 07	130,809 35
Personal Expenses	31,011 20	34,991 61	29,147 29
Office and other expenses	17,971 16	21,915 76	15,391 85

The CHAIRMAN: That is personal expenses for the permanent legal staff?

Sir HENRY THORNTON: I think that must mean for the permanent legal staff.

Then there are certain credits collected. In 1929, $48,566.68. That was a bill for certain legal work, I do not recall the nature of it, which we did for the Detroit and Toledo Short Line, of which we are fifty per cent owner.

The credit for 1930 was $6,200 and for 1931 $5,000.

That makes the total legal expenses:—

For 1929	$ 554,853 38
For 1930	565,227 31
For 1931	546,039 49

Sir EUGENE FISET: That is exclusive of your permanent staff?

Sir HENRY THORNTON: No, that includes everything.

The CHAIRMAN: Those are your net costs?

Sir HENRY THORNTON: Yes.

Mr. MACMILLAN: How many permanent employees?

The CHAIRMAN: How many lawyers are in the permanent employment of the railway in Montreal and elsewhere?

Sir HENRY THORNTON: I can get you the figures; I haven't them in mind.

Mr. POWER: How many are there on retaining fees also?

Sir HENRY THORNTON: I do not quite know what the definition of a lawyer might be. Would you say?

The CHAIRMAN: A practising lawyer.

Mr. POWER: Probably what is in Sir Henry's mind is that they must have a number of notaries also, and their fees might be large.

The CHAIRMAN: Do you have notaries in Quebec?

Sir HENRY THORNTON: I think probably we have a notary of our own in Quebec. That is a guess.

The CHAIRMAN: That would be among the salaries. What we would like is to have a list of the lawyers.

Sir HENRY THORNTON: The lawyers permanently employed and those not permanently employed who participate in fees or retainers?

The CHAIRMAN: Yes.

Mr. POWER: You might as well tell us who they are, while you are at it.

Sir HENRY THORNTON: Would you like their names?

Mr. POWER: Yes. I want to find where all this easy money is.

The CHAIRMAN: Get on the payroll and you will get it.

Mr. POWER: I cannot get it without the assistance of your pal alongside of you.

Hon. Mr. MANION: That is all right,—that is if you will behave yourself.

Mr. POWER: Oh, there is no trouble about that.

Sir HENRY THORNTON: Mr. Fairweather has some interesting figures as to comparative legal expenses of other railways.

The CHAIRMAN: Yes, let us have that.

Mr. FAIRWEATHER: The comparative legal expense per thousand dollars of expenses for different roads are as follows: for 1928, for the Canadian National it was $2.08 per thousand dollars of expense; for the New York Central, $2.70; the Pennsylvania system, $2.55; the Northern Pacific system, $3.58; the Great Northern, $3.77; the Chicago and Northwestern, $2.62; the Atcheson, Topeka and Sante Fe, $3.76; the Baltimore and Ohio, $4.57; Chesapeake and Ohio, $4; and all class 1 roads in the United States, $4; that is the average of all the United States, $4.

Mr. DUFF: What about the Canadian Pacific Railway?

Mr. FAIRWEATHER: The Canadian Pacific Railway was $1.61.

You will see the Canadian National is lower than any of the class 1 roads in the United States.

For the year 1930 the comparative figures are:—

Canadian National, $2.47; legal expenses per thousand dollars of operating expenses; that is an increase because the traffic fell off. The Canadian Pacific was $1.98; the New York Central, $3.03; the Pennsylvania, $2.83; the Northern Pacific, $3.68; the Great Northern, $3.73; Chicago and Northwestern, $2.83; Atcheson, Topeka and Santa Fe, $4.39; Baltimore & Ohio, $5.01; Chesapeake and Ohio, $5.57; and all the class 1 roads in the United States averaged $4.06.

The CHAIRMAN: Where did you get that information?

Mr. FAIRWEATHER: That comes from the reports of these railroads to the Interstate Commerce Commission in the cases of United States roads; and the report of the Canadian Pacific to the Dominion Government.

With regard to United States roads, there can be no doubt as to the accuracy of the comparison because their accounts are kept strictly in accordance with a schedule of accounts; and we ourselves follow that schedule exactly. In Canada there is more looseness, and I would not want to say that the comparison with the Canadian Pacific was absolutely on the same basis.

Mr. BEAUBIEN: The appetite for lawyer's fees by the lawyers in the United States is equally as high as that of the lawyers in Canada.

Mr. MUNN: He does not know anything about the appetite.

Hon. Mr. EULER: It seems to me, Mr. Chairman, that the figures for the purpose of drawing a parallel between the fees in the United States are not very much good.

The CHAIRMAN: Let us get down to brass tacks. The chief lawyer in the Canadian National gets $30,000, and I understand that there are 30 lawyers in the Canadian National drawing $10,000 or more. I cannot believe it.

Sir HENRY THORNTON: I think in that you will have to differentiate between the chief solicitor and the chief counsel for the Canadian Pacific Railway.

The CHAIRMAN: The chief counsel for the Canadian Pacific Railway goes into court, and your chief counsel keeps out of court.

Sir HENRY THORNTON: I think perhaps he shows his skill in that. The chief counsel of the Canadian Pacific is paid an annual retaining fee, and then he receives a certain amount—I have no idea what it is; he receives a certain fee for each case which he conducts for the Canadian Pacific. What the amount is, I do not know.

Mr. BELL: It is $30,000 which is paid to the chief counsel for the Canadian National Railways.

Sir HENRY THORNTON: Yes.

The CHAIRMAN: Mr. Ruel's salary, according to the information I have, is $30,000 per annum and Mr. Rand's salary is also considerable and neither of them goes into court.

Hon. Mr. CHAPLIN: The figures I have taken off read about as follows: Sixteen officials' and the general officials' salaries amount to $198,000, or an average of $12,400. Supervisory officials, twenty-two of them have salaries of $123,000, or an average of $5,600. Miscellaneous officers are four, making a total of $346,800.

Mr. MACMILLAN: Of course that is wrong. Sir Henry gave us a statement in 1930-31 which was higher than this.

Sir HENRY THORNTON: This statement which we have given you includes everything.

Mr. MACMILLAN: Was not the salary paid to those permanently in your employ $281,000?

Sir HENRY THORNTON: Whatever figure I gave—I have not the figures here—represent the salary list.

Railroads generally have two ways of handling their legal business, and there may be some discussion as to which is the better way. One is to employ a minimum staff of lawyers to take care of the day-by-day business, and then when any case of importance appears, to employ outside lawyers to conduct that case. The other method is to employ a larger staff on the railway itself and do more of the work within the permanent staff.

There are a good many high-class lawyers on the North American continent who are legal vice-presidents of large companies and who, in addition to that,

have their own law firms and conduct their own practice. With respect to our legal vice-president, he does not practise in private at all.

Hon. Mr. CHAPLIN: Mr. President, it seems to me that this department is one which needs to be overhauled. I just want to call to your attention one thing. It seems to me that these men, differing from lawyers we know, are interested in carrying on legal proceedings. Take as an example, a short time ago a village in my own constituency had a dispute with your railway; they had a suit with them; they carried it to the courts and beat you; you appealed it, and they beat you again; and they were preparing to carry it to the Supreme Court or some other court of reference, and I simply took the case up through the Minister and called your attention to the fact that it looked like persecution; that because the railway corporation was a strong concern they were putting a small municipality to a great expense for a lawsuit; and you were good enough to tell me, through the Minister, that you would see the litigation would cease. It seems to me that a legal department like yours encourages litigation.

Sir HENRY THORNTON: I am very much pleased that in that particular instance I was able to do some public service and stop litigation which perhaps was unprofitable. But in considering the affairs of so large a railway as the Canadian National, I suppose that at times there will occur cases of that sort, and unless it comes to my attention it might go on as in this litigation to which Mr. Chaplin has referred.

After all, when you come down to examine and consider the ratio of the legal expenses of the Canadian National Railways, as compared with that of other railroads, I do not think our showing is a bad one.

Sir EUGENE FISET: Do the figures which you have just given the committee relate to Eastern Lines?

Sir HENRY THORNTON: Yes.

The CHAIRMAN: You appoint a man as counsel for the region on the theory that he will conduct the litigation for that region. That is the fact with the Atlantic region; but when you actually get into a big lawsuit, such, for instance, as you had with the Canadian Pacific Telegraph Company, on their rights over your right-of-way down east, you go and hire a high-priced counsel.

Sir HENRY THORNTON: That was a very complicated case.

The CHAIRMAN: My private opinion was that he was not as good as Mr. Rand. However, perhaps I shouldn't say that.

Sir HENRY THORNTON: You have got me somewhat at a disadvantage in asking me about a thing of this kind, because I know very little about the law, while, Mr. Chairman, you know everything about it.

The CHAIRMAN: The other railway has not anything like as big costs.

Mr. BELL: One lawyer does not consider other lawyers as good as he is.

The CHAIRMAN: Not at all.

Hon. Mr. EULER: Your legal men advise you to go from one court to the other, and you follow their advice?

Sir HENRY THORNTON: You have to take their advice. There is hardly a day that I do not have someone from the legal offices to tell me what our rights are and what our position should be.

Hon. Mr. EULER: It might be a good thing sometimes to get the lay mind at work, instead of the legal mind.

The CHAIRMAN: The only point I have in mind is this. I got a comparative statement of your costs in the legal department and the costs for the Canadian Pacific, and yours are away above theirs. The range of salary is above, and the number of employees is very much higher, I think, too.

Sir HENRY THORNTON: I have not had the advantage of seeing that list and I do not know about it.

Mr. MUNN: Have the Canadian Pacific given you that officially? They are pretty clannish.

The CHAIRMAN: I assure you I have the information.

Mr. DUFF: We were given the information some time ago. One was $1.91 and the other was $2 odd.

Mr. FAIRWEATHER: In 1930, the ratio of Canadian National legal expenses to operating expenses was $2.47 per thousand dollars of expenses. The Canadian Pacific's was $1.98. I pointed out with regard to our figures that they were prepared strictly according to the Interstate Commerce Commission Classification. With regard to the Canadian Pacific, while I can only surmise, I might say this, that ours include legal expenses of all our separately operated properties and our steamships and American lines; and even, for instance, Mr. Ruel, in the legal department, is available for the legal work of the Canadian Government Merchant Marine and for the Canadian (West Indies) Steamship Company.

Mr. DUFF: Of course the Canadian Pacific Railway has steamships too.

Mr. FAIRWEATHER: Yes, but what I am getting at is that, I think, that $1.98 of the Canadian Pacific is for their rail lines only. I could not say that definitely.

The only detail I had with regard to them was the report in the Dominion Bureau of Statistics, and, as I say, you cannot always be sure that your comparisons are on a fair basis; but with regard to the United States lines, with which I make the comparison, I am sure that I am on comparable ground because I know our accounts are kept in the same manner as theirs.

Mr. BELL: Sir Henry, do you depend upon your General Counsel, Mr. Ruel, for the appointment of the regional counsel?

Sir HENRY THORNTON: Yes.

Mr. BELL: I would move, Mr. Chairman, that we have Mr. Ruel before us. While the committee feels that this is a department which wants enquiring into, let us satisfy the committee that the legal expenses are not unreasonable.

Sir HENRY THORNTON: I think I might say that Mr. Ruel, in all matters of making appointments with respect to his department, consults myself and the Board, and naturally I rely upon his advice and opinion with respect to what should be done, just as I do and must necessarily do in all departments. If something was proposed which on the face of it seemed an unwise thing to do, we would certainly argue it out between us; but, after all, the law is a highly technical subject and I am not in a position, myself, to express very decided views, and I have to leave questions of that sort to the head of that department, although, as I said before, if there was anything to which I took exception—I have gone over it with him many times—I would go into it with him. If he wants to make a legal appointment, he comes to me and gives me his views and his reasons therefor, and if they seem sound and good, I submit it to the Board for approval.

Mr. DUFF: It is the Board which really appoints them?

Sir HENRY THORNTON: Yes.

The CHAIRMAN: Is it the wish of the committee to have Mr. Ruel appear before the committee? I would like to ask him why he appointed Mr. C. J. Milligan some few years ago.

Mr. POWER: I do not like his name.

The CHAIRMAN: And I would like to understand why he appointed Mr. Rand.

Mr. BELL: I thought you said that Mr. Rand was better than the other man.

The CHAIRMAN: But the circumstances were such as to lead me to believe that his appointment was political. I throw this out, that if Mr. Ruel is coming here I would like him to answer that question.

Mr. BEAUBIEN: The appointments of judges are all political?

The CHAIRMAN: Yes.

Mr. BEAUBIEN: There is nothing wrong with that.

The CHAIRMAN: Why say that there is no politics in appointments.

Sir EUGÈNE FISET: How many Conservative lawyers have you seen changed since we have been here?

The CHAIRMAN: Ask the question and you will find that the answer is Nil.

Mr. DUFF: Is that the sore spot?

The CHAIRMAN: No, but Mr. Ruel will understand the assumption in the appointment of Mr. Rand, who was brought down to New Brunswick and appointed to a high-priced position, when he had afterwards to be appointed to the Bar of New Brunswick.

Mr. DUFF: Then there were no good lawyers in New Brunswick?

The CHAIRMAN: I do not know about that. If it is the will of the committee, we will call Mr. Ruel.

Mr. STEWART: I think we should have him. I think we should investigate those outside offices. Why with this total expenditure should we have to pay such an amount for outside fees?

The CHAIRMAN: I think the obvious answer is that the regular officers of the department are not qualified to conduct court cases. Is not that the fair inference, Mr. Power?

Mr. POWER: I do not know.

The CHAIRMAN: You would not commit yourself.

Mr. GRAY: I do not think that applies to the central region. I think Mr. Laidlaw is well qualified.

Hon. Mr. EULER: Would this be a fair explanation, that it might be possible to get lawyers who are not so high-priced, if I might use the term, for ordinary, routine work, and when a case comes up which involves a good deal of money it might be worthwhile to appoint an outside lawyer.

Mr. STEWART: They do not seem to have very many low-priced lawyers among the head ones.

Mr. MUNN: A lot of this investigation will be taken in hand by the Duff Commission, and do you not think we are covering the same ground?

The CHAIRMAN: Are you in a position to say that this matter will be covered by the Duff Commission?

Mr. MUNN: At this time the Duff Commission is working.

Mr. MACMILLAN: What are the gentlemen's names, Mr. Rand and who?

The CHAIRMAN: Milligan.

Mr. MACMILLAN: Where does he come from?

The CHAIRMAN: He was Liberal organizer in Quebec in 1894. He came from Saskatchewan where he was in the Land Titles Office where he had been for a number of years after he left New Brunswick.

Mr. DUFF: He may have turned Tory.

The CHAIRMAN: No. He was at one time either in Regina or Saskatoon, in the Land Titles Office.

Mr. POWER: I understand he was a Progressive for some time. He was a lawyer for,—

The CHAIRMAN: No, he was a tall fellow. He never was a lawyer for anybody until he got with the Canadian National Railways. I can tell you that.

Mr. DUFF: Mr. MacMillan says he did not know Mr. Milligan in Saskatchewan so he could not have been a very strong Grit.

The CHAIRMAN: I did not say that he was. When he went to Saskatchewan he was appointed to a position in the Land Titles by the Federal Government. Previous to that he was the Liberal organizer in New Brunswick.

Mr. MACMILLAN: What is this man's title, Mr. Chairman?

The CHAIRMAN: He was Regional Counsel. He is dead now. That isn't one on me. I know all about Mr. Milligan's appointment.

Mr. DUFF: Then you are riding a dead horse.

The CHAIRMAN: No, I am not riding a dead horse. I want to say right here and now that Mr. Milligan's appointment—dead though he may be—was an affront to the lawyers in New Brunswick, and I will tell Mr. Ruel that if I ever meet him, and discuss the matter too.

Sir HENRY THORNTON: General Stewart asked this question:

> In regard to the house property in Montreal, does the railway lease any other houses for the use of its officials?

The answer is, "No."

Jamaica Hotel. This is a pretty long statement.

Mr. FAIRWEATHER: Jamaica Hotel

> Question 1: "How much money have Canadian National Railways invested in the Hotel at Kingston, Jamaica?—Answer: In the Canada West Indies Hotel Company Limited $50,000.
>
> Secured Loan to the Canada West Indies Hotel Company Limited $150,000.
>
> Secured Loan to the Constant Spring Golf and Country Club $60,000.
>
> (2) Question: When was the hotel opened, and how long did it remain open?—Answer: Opened February 4, 1931—closed June 20, 1931.
>
> (3) Question: Who owns the hotel?—Answer: Canada West Indies Hotel Company, Limited.
>
> (4) Question: Is investment of the Canadian National in this enterprise lost?—Answer: Impossible to make definite answer. Upon a realization of assets there is little likelihood of anything remaining for the 7 per cent convertible notes. The $150,000 loan to the Hotel Company is secured by a second mortgage on the hotel property. The two notes of $30,000 each of the Constant Spring Golf and Country Club are secured by $60,000 6 per cent income gold debentures of the Constant Spring Golf and Country Club. The extent to which these investments are recoverable could only be determined by a realization of the assets.
>
> (5) Question: By what authority was the investment of Canadian National money made in the hotel at Kingston, Jamaica?—Answer: The original subscription of $50,000, 7 per cent convertible notes was made by resolution of the Executive Committee of the Canadian National Directors January 21, 1929, and approved by the Board of Directors, February 18, 1929. The $150,000 was authorized by resolution of the Board of Directors September 2, 1930, and approved by Order-in-Council P.C. 2751, December 6, 1930. The $60,000 loaned to the Constant Spring Golf and Country Club was authorized by resolution of the Executive Committee May 26, 1930, and approved by the Board of Directors, June 9, 1930. Copies of these documents are filed herewith.

Mr. MACMILLAN: Would you mind repeating those dates again?

Mr. FAIRWEATHER: With regard to the Constant Spring Golf and Country Club?

Mr. MacMillan: Yes, and the other.

Mr. Fairweather: The $150,000 was authorized by resolution of the Board of Directors, September 2, 1930, and approved by Order-in-Council, P.C. 2751, December 6, 1930. The $60,000 loaned to the Constant Spring Golf and Country Club was authorized by resolution of the Executive Committee, May 26, 1930, and approved by the Board of Directors June 9, 1930. Copies of these documents are filed herewith.

Mr. Duff: When was the $150,000 paid over, after the Order-in-Council was passed or before?

Mr. Fairweather: It was paid on December 30th.

Mr. Duff: 1930?

Mr. Fairweather: Yes.

(6) Question: Was the orchestra taken from Montreal on one of the Lady boats to be present at the opening of the hotel?—Answer: Yes.

(7) Question: If so, how long was the orchestra employed and at what cost by way of wages and expense?—Answer: The orchestra was engaged by the Canada West Indies Hotel Company Limited. The Canadian National West Indies Steamship Company, Limited, furnished transportation to the orchestra to the value at regular rates of $1,080.

The Canada West Indies Hotel Company is not a Canadian National subsidiary, and, of course, we have not got access to their records.

Mr. MacMillan: What portion of the capital structure of that company do you own?

Mr. Fairweather: Very little, practically none of the stock control. We only own, I think, 100 shares of the Common, something like that.

Mr. Duff: What is the total bond issue.

Mr. Fairweather: I have a complete statement. Shall I finish this statement?

Mr. Duff: All right.

Mr. Fairweather:

(8) Question: Have the management of the railway any information to give the Committee as to the future of the hotel at Kingston, Jamaica?—Answer: The extent to which these assets may be realized on is dependent on the outcome of the receivership instituted by the Jamaican Government as holders of the first mortgage bonds on the hotel property.

Mr. MacMillan: Mr. Chairman, right there it seems to me that that is a very bad practice on the part of the railways.

Mr. Duff: Let us get the total cost of the whole bond issue, if you don't mind.

Mr. Fairweather: Will it be necessary, Mr. Chairman, to read the resolutions and Order-in-Council?

The Chairman: No, just put them in the record.

Canadian National Railways

Extract of Minutes of Meeting of the Executive Committee of the Board of Directors—January 21, 1929

Reference was made to the financing of the new hotel at Kingston, Jamaica, and to suggestions that the National Railways on account of their interest in having suitable hotel accommodation there should purchase stock in the Hotel Company. After considerable discussion

It was decided that fifty thousand dollars may be spent in purchasing stock in such company.

Extract of Minutes of Meeting of the Executive Committee of the Board of Directors—February 12, 1929

With reference to the purchase of securities issued by the Canada-West Indies Hotel Company Limited in connection with the hotel in Kingston, Jamaica,

It was decided that the Fifty Thousand Dollars previously authorized should be used in purchasing such Company's convertible notes at Ninety-seven Cents on the Dollar subject to One Thousand Five Hundred Dollars more or less of said amount being used for advertising and similar purposes.

Extract of Minutes of Meeting of the Executive Committee of the Board of Directors—May 26, 1930

It was unanimously resolved that an advance of not exceeding Sixty Thousand Dollars may be made to the Constant Springs Golf and Country Club, Kingston, Jamaica, for the purpose of providing a water supply for the Golf Club and the new hotel now under construction, the intention being that there will be issued by the said Club to the Company its six per cent Debenture Bonds at par to the amount of such advance, together with ten shares of Class "A" common stock and five shares of Class "B" common stock with each One Thousand Dollars par value of bonds.

Extract of Minutes of Meeting of the Executive Committee of the Board of Directors—September 2, 1930

The President informed the meeting that on account of the general financial position delays have occurred in connection with the underwriting for the Canada-West Indies Hotels Company securities, with the result that the construction funds having been exhausted it was necessary a few days ago, in order to prevent cessation of work, for the National Railways to advance Fifty Thousand Dollars against an assignment of the subscription of the Mount Royal Hotel Company for that amount of said securities. The President further stated that in view of the West Indies Steamships services provided under the West Indies Trade Agreement, it was felt that the interests of the Government and the National Railways would have been prejudiced had not the advance been made.

The matter was considered and unanimous approval was given to the making of the advance; also to the execution of an agreement on the subject between the Railway Company, the West Indies Hotel Company and the Mount Royal Hotel Company.

The President further informed the meeting that pending completion of the above underwriting it may be advisable that further temporary advances not exceeding One Hundred and Fifty-five Thousand Dollars should be made by the Railway Company for the same purpose and that in such case repayment of any such additional amount would be secured by one or more satisfactory notes of responsible underwriters.

It was unanimously decided that subject to any necessary approval by order-in-council an additional advance of not exceeding One Hundred and Fifty-five Thousand Dollars may be made.

P.C. 2751

Certified to be a True Copy of a Minute of a Meeting of the Committee of the Privy Council, Approved by His Excellency the Governor General on 6th December, 1930.

The Committee of the Privy Council have had before them a report dated December 5, 1930, from the Minister of Railways and Canals, submitting:

1. That the Canada-West Indies Hotel Company, Ltd. (hereinafter referred to as "the West Indies Company") is a company incorporated under The Companies Act and subject to the laws of Canada with powers to construct and operate hotels and to carry on certain other business.

2. That the West Indies Company constructed or has in the course of construction a resort hotel on land of the West Indies Company situate near Kingston, Jamaica, and which land and buildings thereon are hereinafter referred to as "the hotel property."

3. That in 1929 the Canadian National Railway Company (hereinafter referred to as "the Railway Company") became interested in the hotel project of the West Indies Company, as in the next preceding statement referred to and subscribed toward the same the sum of $50,000, receiving in return therefor 7 per cent convertible notes of the West Indies Company in an equivalent amount and which notes may be converted into preferred stock of the West Indies Company, when issued, carrying as a bonus 100 shares of the common stock of the West Indies Company.

4. That the West Indies Company has been in negotiations with the Railway Company for a loan of $150,000 from the Railway Company to be secured by a second mortgage on the hotel property payable on or before the 1st day of December, 1935, with interest thereon at the rate of 5 per cent per annum to be computed from the date of the said mortgage and payable half-yearly on the first day of June and the first day of December in each year, and also with interest at the rate of 5 per cent per annum upon any of the said payments of interest that shall not be paid when due, and to this end the West Indies Company has agreed to mortgage to the Railway Company the hotel property under a second mortgage, in terms as per draft form of mortgage hereto attached marked "A".

5. That by Resolution dated the second day of September, 1930, the Executive Committee of the Railway Company approved of an advance to the West Indies Company of an additional amount not exceeding One Hundred and Fifty Thousand dollars. A certified copy of the said Resolution is hereto attached marked "B".

6. That the hotel property is now mortgaged in favour of the Colonial Secretary of Jamaica, acting on behalf of the Government of Jamaica, British West Indies, under a first mortgage securing the payment of 5 per cent Thirty-year Gold Debentures of the Hotel Company in the amount of £40,000 guaranteed by the said Government.

The Minister submits the above and, on the advice of the Management of the Railway Company, recommends that Your Excellency in Council approved of the Railway Company loaning to the West Indies Company the sum of $150,000, to be secured by a second mortgage on the hotel property in terms as set out in the draft form of mortgage hereto attached marked "A", and of the Railway Company accepting the said mortgage in such form as may be approved by the Vice-President in charge of legal affairs of the Railway Company.

The Committee concur in the foregoing recommendation and submit the same for approval.

(Sgd.) E. J. LEMAIRE,
Clerk of the Privy Council.

COPY "A"

MORTGAGE UNDER THE REGISTRATION OF TITLES LAW 1888 (JAMAICA) AND LAW AMENDING THE SAME

Whereas The Canada-West Indies Hotels Company Limited, a corporation duly incorporated under the Laws of the Dominion of Canada, having its head office in the City of Montreal, hereinafter called the "Company", herein acting by J. Carlton Brown, its Vice-President, and Vernon G. Cardy, its Secretary, hereunto duly authorized in virtue of by-law No. 2 of the Company and by resolution of the Directors of the Company passed at a meeting held on the seventeenth day of November, A.D. one thousand nine hundred and thirty, is registered under the Registration of Titles Law 21 of 1888 (Jamaica), and any Laws amend- the same by certificate of title dated the fourteenth day of October in the Year of our Lord, one thousand nine hundred and twenty-eight, in Volume 49, Folio 88 in the Register Book of Titles as the proprietor of an Estate in fee simple in the possession of and in the lands hereinafter described, subject to the encumbrances notified hereunder, and

Whereas Canadian National Railway Company, a company duly incorporated under the Laws of the Dominion of Canada, hereinafter called the "Railway," has agreed to lend to the Company the sum of $150,000, and

Whereas the Company has agreed to grant unto the Railway a second mortgage upon the property hereinafter described as security for the said loan of $150,000;

Now therefore this instrument witnesseth as follows:

1. The Company hereby acknowledges to have received from the Railway the sum of $150,000, which capital sum the Company hereby promises to pay to the Railway or its assigns in gold coin of the Dominion of Canada of the present standard of weight and fineness on or before the first day of December, A.D. one thousand nine hundred and thirty-five, with interest thereon at the rate of five per cent per annum to be computed from the date hereof and payable half yearly on the first day of June and the first day of December in each year, and also with interest at five per cent per annum upon any of the said payments of interest that shall not be paid when due.

2. The Company in consideration of the foregoing loan of $150,000 and as security for the payment of the said capital sum and interest as aforesaid, doth by this instrument of mortgage made under the Registration of Titles Law. 1888 (Jamaica), and Laws amending the same, mortgage unto the Railway forever the following property, to wit:

All those two parcels of land formerly part of Constant Spring Estate in the Parish of Saint Andrew, the one containing twenty-four acres, two roods and thirty perches, and the other containing fifty-three acres and butting and delineated as appears by the diagram thereof annexed and in the said certificate of title and the buildings, structures and fixtures now standing and being or hereafter to be erected and built thereon, subject to the following encumbrances:

(*a*) The mortgage in favour of the Colonial Secretary of Jamaica acting on behalf of the Government of Jamaica, British West Indies:

(*b*) The right of the West India Electric Company Limited to run its lines and cars:

(*c*) The lease of a small parcel of land to E. J. Wortley.

3. The Company covenants with the Railway that it has a good title to the said lands and has the right to mortgage the said lands to the Railway as aforesaid and that on default the Railway shall have quiet possession of the said lands, free from all encumbrances, except those herein mentioned, and subject always to the encumbrances herein mentioned.

4. The Company covenants that it will at all times maintain and keep in good order, condition and repair, the hotel buildings, structures, fixtures, fences, gates and improvements upon the said lands, and will allow the Railway, its agents and servants at all reasonable times during the continuance of this security, to enter and view the state and condition of the mortgaged premises.

5. The Company covenants that it will at all times during the continuance of this security, keep the hotel buildings, structures, fixtures and improvements erected upon the said mortgaged lands which are of an insurable nature, and also the equipment and furniture thereof, insured against loss or damage by fire, hurricane and earthquake to the full insurable value thereof, and will duly pay all premiums for that purpose, and will produce to the Railway for inspection if and when required, such policies and such premium receipts.

6. The Company covenants that it will pay all taxes and assessments on the said lands after the same have become due, and will exhibit receipts to the Railway if and when required.

7. The Company covenants that it will keep proper books of account and will permit the Railway to inspect them at all reasonable times.

8. It is specially agreed that if the Company shall fail to pay any instalment of the said interest due hereunder, or be in any other way in default hereunder, the whole amount owing hereunder shall become due and exigible at the option of the Railway ninety days after the Railway has sent a written notice by registered mail specifying such default or defaults, addressed to the Company at its head office at Montreal, Quebec, Canada, unless before the expiry of the said ninety days the said default or defaults have been remedied by the Company.

Dated at Montreal, Quebec, Canada, this day of , in the year One thousand nine hundred and thirty.

The Corporate Seal of the Canada West Indies Hotels Company Limited was on behalf of the Company affixed to the foregoing mortgage by J. Carlton Brown, the Vice-President of the said Company, and Vernon G. Cardy the Secretary of the said Company at the City of Montreal, Quebec, Canada, on the day of , A.D. One thousand nine hundred and thirty, and delivered in the presence of

Dominion of Canada
Province of Quebec

Be it remembered that on the day of in the Year of our Lord One thousand nine hundred and thirty, at the City of Montreal, in the Province of Quebec, in the Dominion of Canada, before me the undersigned Notary Public, in and for the said Province of Quebec, came and appeared
of the said City of Montreal, the attesting witness to the due execution of the foregoing mortgage, and who being by me duly sworn, made oath and said that he was present and did see the corporate seal of The Canada

West Indies Hotels Company Limited affixed to the said mortgage and the said mortgage signed by J. Carlton Brown, the Vice-President of the said Company, and Vernon G. Cardy, the Secretary of the said Company, at the City of Montreal, in the Province of Quebec, in the Dominion of Canada, on the day of , A.D. one thousand nine hundred and thirty, as and for the proper act and deed of the said Company for the purposes therein mentioned.

Extract from Minutes of Meeting of the Executive Committee of the Directors of the Canadian National Railway Company

Held in the Company's offices in the City of Montreal on September 2, 1930.

The President informed the meeting that on account of the general financial position delays have occurred in connection with the underwriting for the Canada-West Indies Hotels Company Limited securities, with the result that the construction funds having been exhausted it was necessary a few days ago, in order to prevent cessation of work, for the National Railways to advance Fifty Thousand Dollars against an assignment of the subscription of the Mount Royal Hotel Company for that amount of said securities. The President further stated that in view of the West Indies Steamships services provided under the West Indies Trade Agreement, it was felt that the interests of the Government and the National Railways would have been prejudiced had not the advance been made.

The matter was considered and unanimous approval was given to the making of the advance; also to the execution of an agreement on the subject between the Railway Company, the West Indies Hotel Company and the Mount Royal Hotel Company.

The President further informed the meeting that pending completion of the above underwriting it may be advisable that further temporary advances not exceeding One Hundred and Five-five Thousand Dollars should be made by the Railway Company for the same purpose and that in such case repayment of any such additional amount would be secured by one or more satisfactory notes of responsible underwriters.

It was unanimously decided that subject to any necessary approval by Order in Council an additional advance of not exceeding One Hundred and Fifty-five Thousand Dollars may be made.

Certified to be a true Extract.

(Sgd.) R. P. Ormsby,
Secretary.

Seal.

Mr. Fairweather: The liabilities of the Canada-West Indies Hotel Company, Limited, consisted of $150,000 second mortgage bonds due the Canadian National Railways; $194,000 of 5 per cent Gold Debentures; $389,100 of 7 per cent convertible notes; and that is what would be called the borrowed capital.

The Chairman: Where are the first mortgage bonds?

Mr. Fairweather: Fifty-five thousand pounds is the amount of that.

Mr. Duff: $250,000?

Mr. Fairweather: $266,750.

The Chairman: And those are the first mortgage bonds?—A. Those are the first mortgage bonds.

The CHAIRMAN: Well, now, when was this hotel started to be built, and when was it necessary to put in that $150,000 for which you got second mortgage bonds. Had the project neared completion, and did we have to put up the money in order to complete it?

Sir HENRY THORNTON: My recollection of that is this, that the proposal was made—I don't quite know where it originated—that a hotel should be built on the site of what is known as Constant Spring. There was a hotel in Kingston itself not far from the waterfront, called the Myrtle Bank, which was owned by the United Fruit Company, and the proposal was made I think by certain individuals in Kingston that the Jamaican Government should interest itself and assist in the construction of another hotel at a higher altitude which would be more comfortable for guests and which would furnish some competition with respect to this hotel which was owned by the United Fruit Company. Back of that all lies a struggle which had been going on for a good many years between the independent banana producers in Jamaica and the United Fruit Company. There had been charges on both sides, that the United Fruit Company being in possession of the only transportation facilities that amounted to anything in and out of Kingston used their control in and out of Kingston for the purpose of extracting ruinous prices from the producers of bananas, and there had been a long acrimonious controversy going on in Jamaica between the United Fruit Company on the one hand and the independent producers on the other, and when the treaty was negotiated between the Dominion Government and the Government of Jamaica, one of the main objects which the Government of Jamaica had, I think, was to meet the competition, or the monopoly—perhaps that would be a better word to use—of the United Fruit Company. That treaty is familiar to all of you, and as the result of that treaty there was established this line of boats now known as the "Lady" boats.

Shortly after that was decided, or perhaps shortly before the Lady boats came into operation, this hotel project came forward and it was more or less backed by the Government of Jamaica itself, and finally some of those who were interested in the United Hotel Company formed this new company in Jamaica which was known as the Canada West Indies Hotel Company. At any rate, that hotel company was formed and was financed by certain individuals who were interested in United Hotel Companies, and the Jamaican Government. The Jamaican Government put up, as you have seen, what has already been told you, some fifty-five thousand pounds, and the construction of the hotel started. As it was nearing completion it became evident that the funds available were not sufficient to complete the hotel, and an appeal was made to the Canadian National Railways to assist in completing it, the justification on our part being the interest which we had in Jamaica in the banana trade and in these new Lady boats which would, of course, carry, it was hoped, a large number of tourists to Jamaica.

Now, that is the reason the Canadian National Railways and the Government of Canada of the day got into the picture, to try to help out the completion of this hotel, and to a measurable degree help out also the Jamaican Government. These various things were all more or less wrapped up in the whole project.

I have just given you in a very broad and general way how the thing appeared and the reason for it.

Mr. MACMILLAN: Did the Government of the day know anything about that investment at that time?

Sir HENRY THORNTON: Oh, yes.

Mr. MACMILLAN: The Canadian Government?

Sir HENRY THORNTON: Yes.

The CHAIRMAN: What was the original investment?

Sir HENRY THORNTON: I am talking about the investment in the hotel.

The CHAIRMAN: Was that authorized by the Government of Canada, and if so, when, and was there an Order in Council?

Mr. FAIRWEATHER: The Order in Council setting forth the $150,000 recites the $50,000, and the Minutes of the Board, of course, are sent to Ottawa for the information of the Minister.

Sir HENRY THORNTON: I think the Government of the day in Canada knew of the transaction, did it not?

Mr. FAIRWEATHER: All I can say is that the Secretary of the Company forwards the Minutes of the Directors' Meeting to Ottawa. The $150,000 was approved by Order in Council.

The CHAIRMAN: Let us go back to the $50,000. When was it put up and under what authority? It is a capital investment and under the Statute cannot go through, as I understand it, without express government authority.

Mr. FAIRWEATHER: Well, I think perhaps if I read this chronological history of the thing—I have a condensed chronological history here. Will it be satisfactory to read it?

The CHAIRMAN: You ought to be in a position to say if that $50,000 was ever authorized by the Government, expressly authorized by the Government of Canada.

Mr. FAIRWEATHER: The first mention of the Jamaica Hotel occurs in 1926, October 1926. It was at a Directors' Meeting, and:

> After discussion it was decided that when the increase in traffic on the West Indies Steamships warranted the matter of a hotel in Jamaica might be considered.

Executive Committee on the 25th July, 1927:

> Mr. Gardner referred to the necessity of taking care of passengers travelling to the West Indies and stated that he understood that the Government of Jamaica might aid in the construction of a hotel at Kingston. It was felt, however, that at the present time there was little possibility of the Canadian National either building a hotel of its own or aiding others towards such an end.

On the 13th September, 1927:

> Major Bell was asked to discuss with the Minister of National Defence the advisability of purchasing a site for a future hotel (to cost $50,000—$60,000) before it was bought by a competitor.

Mr. POWER: The Minister of National Defence?

Mr. FAIRWEATHER: He was probably acting Minister.

On the 18th February, 1928:

> The President referred to the expectation that a hotel would be built by the United Hotels Company at Kingston, Jamaica.

Executive Committee of the 6th June, 1928:

> Reference made to progress of construction of hotel and golf course in Jamaica.

On the 21st of January, 1929:

> After discussion it was decided that $50,000 might be spent in purchasing stock in the hotel company.

The CHAIRMAN: What date is that?

Mr. FAIRWEATHER: The 21st of January, 1929.

The CHAIRMAN: Well, now, was that looked upon as an authorization and did they, on the basis of that, go ahead?

Mr. FAIRWEATHER: I cannot answer as to that.

On the 12th February, 1929:

> It was decided that the $50,000 previously authorized be used to purchase convertible notes of the Canada West Indies Hotel Company Limited. The price agreed upon was 97 cents on the dollar, and $1,500 was to be used for advertising, etc.

26th August, 1929:

> Transfer of above securities to Canadian National Realties Limited. Canadian National Realties Limited is a holding company completely controlled by the Canadian National Railways.

26th May, 1930:

> Unanimously resolved that an advance of $60,000 be made to the Constant Spring Golf and Country Club, Kingston, to provide water supply for the Golf Club and the new hotel.

Mr. GEARY: How much is that, and where?

Mr. FAIRWEATHER:

> Unanimously resolved that an advance of $60,000 be made to the Constant Spring Golf and Country Club to provide water supply for the golf club and the new hotel.

The CHAIRMAN: That is another concern?

Mr. FAIRWEATHER: It is a separate company, sir.

> The golf club will issue to the Canadian National Railway its 6 per cent debenture bonds at par to this amount, together with 10 shares of class "A" common stock and five shares of Class "B" common stock with each $1,000 par value of bonds.

That was on the 26th May, 1930.

Mr. MACMILLAN: Is that a separate concern from the hotel company?

Mr. FAIRWEATHER: Yes, but the stock of it is controlled by the hotel company.

Sir EUGENE FISET: Did that bond issue cover both the $50,000 and $60,000?

Mr. FAIRWEATHER: I have mentioned no bond issue yet, sir.

Sir EUGENE FISET: You did a moment ago.

Mr. FAIRWEATHER: The $150,000 was in addition to those two items?

Sir EUGENE FISET: Read the report again.

Mr. FAIRWEATHER:

> The golf club will issue to the Canadian National Railway its 6 per cent debenture bonds at par to this amount, together with 10 shares of class "A" common stock and 5 shares class "B" common stock with each $1,000 par value of bonds.

24th September, 1930:

> Reference was made to the preparation of the necessary Order in Council to ratify the above.

The CHAIRMAN: When was the $50,000 paid? When was the $60,000 paid to the golf club, and had the $150,000 been paid on the 2nd September, 1930?

Mr. FAIRWEATHER: The $150,000 had not been paid. The $150,000 was paid on December 31, 1930.

The CHAIRMAN: It had been expended prior to that, and was it required to complete the hotel?

Mr. FAIRWEATHER: Had what been expended?

The CHAIRMAN: The $150,000?

Mr. FAIRWEATHER: I cannot say as to that.

The CHAIRMAN: Well, it must have been because the hotel was opened immediately afterwards.

Mr. FAIRWEATHER: I cannot speak of that as having knowledge.

The CHAIRMAN: The truth of the matter is that they had to pass an Order in Council and confirm the payment of the money because the money had been expended long anterior to that Order in Council, and they had to do so or they couldn't open it.

Hon. Mr. MANION: I did not hear the first part of the discussion, but I am very familiar with the hotel and probably I should just say a word about it.

When we came in, it was explained to me that the Canadian National Railways had backed up the United Hotels Company to go into this hotel, and Sir Henry always took the attitude—both verbally and in writing—that the Canadian National Railways was not in any way legally responsible for this hotel, but he came to me or sent somebody to me—I don't remember which—and pointed out that they needed another $150,000 in addition to the $60,000 on the golf course, to put the hotel in working order, if you will.

The CHAIRMAN: Ready for opening.

Hon. Mr. MANION: Yes, and then he came to me and I took it up with the Council, on the ground—I think the chairman is a little wrong in this—that it was not because of the need of opening that we took that attitude, but my attitude was this, that the Jamaican Government had taken a first mortgage and had guaranteed bonds to the extent, I think of $300,000, £60,000, in round figures; that we were mixed up, through the Canadian National with the Government of Jamaica, and because of that, and to avoid any misunderstanding, we agreed finally to put up that $150,000 on a second mortgage, second to the first mortgage of the Jamaican Government. That was done. Then later the railways came back and said that there was another $70,000 required and that the Jamaican Government offered to put it up provided they could add it to their original first mortgage, that is, put it ahead of our second mortgage. That again was consented to by Order-in-Council, I think. We consented to it at any rate.

Mr. MACMILLAN: Was that money put up?

Hon. Mr. MANION: Oh, yes, the Jamaican Government put that up. Now, that was as far as it went. Then the hotel was opened and ran for some months, I don't remember how long, probably six months.

Sir HENRY THORNTON: About that.

Hon. Mr. MANION: And the present position of the hotel is this,—so far as we are concerned—I am not talking of anything else except as it affects us—since then the management of the United Hotels, Mr. Dudley particularly, and some of his representatives, came to me on several occasions and said there were various accounts outstanding amounting to $250,000, in round figures, partly for operation and partly capital purchases; and they wanted us to put up this $250,000, to get the hotel in good financial condition. I absolutely refused to do it, and Sir Henry wrote me a letter, which I have among my papers, taking the attitude that the Canadian National was in no way liable for any money. He took the same attitude as I there, that we should not put up any more money, and we adhered to that. There has been a great deal of complaint from the island of Jamaica, both officially and unofficially, claiming that we were morally behind this hotel, and that we should come through with this $250,000. We have adhered to our original attitude that we would not put up any more. We figured already we had got into it to the extent of $250,000

plus $60,000 which paid for the new golf course, and that we had gone far enough with it. Sir Henry backed me in that, and took exactly the same attitude. The hotel to-day, I believe, is going to be sold by the Jamaica government under foreclosure.

Mr. MacMillan: Are you going to put in a bid?

Sir Henry Thornton: The statement of the Minister is fairly correct. I have consistently said to the Minister what he has repeated to you, that we have no financial or moral obligations to do more than we did. What we did was merely for the purpose, or largely for the purpose of promoting trade in Jamaica and amiable relations between the Dominion of Canada and the government of Jamaica, and my feeling was just as the Minister has said; that we had done all that imperial fraternity would require.

Hon. Mr. Manion: I entirely agree. May I just add another remark? Mr. Anderson, the solicitor of my department, just pointed this out to me, which I should like to add to make the story complete from our standpoint. There was so much complaint from the island of Jamaica, both officially and unofficially, officially through the External Affairs Department, claims being made that we were not only morally liable, but we were legally liable, I mean, that the Canadian National Railways were not only morally liable, but that they were legally liable. I myself appointed Mr. Anderson to go into the files. I had already gone through them very thoroughly myself. I did not think we were legally liable, whatever promises might have been made by the two representatives who were down there on behalf of the Canadian National Railways, Mr. Brown and Mr. Gill Gardner. But at any rate, I could find no record of Sir Henry Thornton doing anything further than merely supporting it. I asked Mr. Anderson, our representative, to make an investigation. He went through the files in Ottawa, and went down to Montreal and went through the files there, and then he went down to Jamaica at my request, and made an investigation there. The statement had been made that the government of Jamaica had a telegram from Sir Henry saying that the Canadian National Railways were really liable for this. I particularly asked Mr. Anderson to try to get track of that telegram that was continually being quoted, but which I did not believe existed. I think I am stating the position correctly when I say that Mr. Anderson could find no such telegram. He did find that Sir Henry had wired on two or three occasions urging them to go ahead with the hotel; that he believed the United Hotel people were good people and that the Canadian National would give every support to it, which it did, as a matter of fact. I say quite frankly that in my opinion, not only the Canadian National, but the Canadian Government went much farther than it needed to have gone. I am under the impression that we need not have gone nearly as far as we have gone, judging from anything that we have record of. That is the whole picture.

Mr Kennedy: Why has it fallen through? Was it because of bad management or just the depression?

Sir Henry Thornton: I think you can attribute most of it to general depression, and further, from the fact that the tourist business has been pretty well shot to pieces. Instead of getting the number of people they expected to get there, they have not had anybody, practically. I think the fact is the hotels in Jamaica are suffering the same as elsewhere.

Mr. MacMillan: Did those negotiations start primarily with the railway company or with those two directors, or by those two directors?

The Chairman: By the director who was wintering in Jamaica.

Sir Henry Thornton: As I understand the situation, I think the project really originated in Kingston, itself, partly with certain prominent people there, and partly with the support of the Jamaica government itself. The project

to build the hotel in Jamaica did not originate with me, or certainly not with the Canadian National. And when the suggestion was first made, I think this was the first proposal, that we should build this hotel in Jamaica; that is, the Canadian National should do it. I refused point blank and absolutely to have anything to do with it. But I did say if you build the hotel, we will assist you in every moral way that we can. We will be glad to display your advertising matter in hotels and on our trains and give you all of the assistance that we can, providing that we do not have to put any money into it.

Mr. MacMillan: When these investments of the National Railways outside of Canada are decided, are they always submitted to the Government of the country. Can the National Railways make investments outside of Canada with our money without submitting it to the Government?

Hon. Mr. Manion: Perhaps I had better put in another word that Mr. Anderson brings to my attention. He points out that in 1912, or some years ago at any rate, there were some discussions between the Government of Canada and the government of Jamaica in regard to the building of a hotel, but that in 1925 when a trade agreement was made, no mention was made of the hotel in any way, so that there is nothing in the treaty to justify the building of the hotel. But I think I should just say this as well, since I have made this statement, that I do believe, after having gone through the files, and Mr. Anderson just drew it to my attention again, that Mr. Brown and Mr. Gill Gardner did go very far in encouraging the people of Jamaica to go into this hotel business. And if they were in the position of being responsible, as Sir Henry Thornton is, for example, for the actions of the Canadian National Railways, then I would say that the National Railways were certainly morally liable. They were speaking largely on their own, so far as I can find out. But without any doubt they encouraged in every way, by sending telegrams and by word of mouth, the building of the hotel. And it is because of Gill Gardner's and Brown's actions that a great many people of Jamaica seem to think that the Government of Canada should come to their rescue.

Mr. Kennedy: Who is Brown?

Hon. Mr. Manion: He is an official of the Canadian National Railways.

Sir Henry Thornton: He was connected with the Government Merchant Marine and Steamship Department. Of course a number of more or less prominent people of Canada have gone to Jamaica during the time that this project was under consideration, and there seems to be something in the atmosphere down there which provokes a degree of optimism.

Mr. Fraser: In the atmosphere?

Sir Henry Thornton: It may have been the fog, perhaps, and a good many enthusiastic statements were made about the happy relations which should exist between the Dominion of Canada and Jamaica. I would like to say that no one had any authority to bind this company in any way on anything with respect to commitments in Jamaica.

Mr. MacMillan: I asked a question, Mr. Chairman, as to whether the Canadian National had authority to make capital investments outside of Canada.

The Chairman: No; they have no authority to make a capital investment anywhere, without the Government's consent. That is right in the statute.

Mr. MacMillan: Why do they do it?

The Chairman: They must get the authority of the Governor in Council.

Mr. Kennedy: Have they the authority under the Governor in Council?

The Chairman: Look at the Canadian National Railways Act, chapter 172 of the Revised Statutes of Canada. The company is authorized under section 27:

"With the approval of the Governor in Council, acquire, hold, guarantee, pledge and dispose of shares in the capital stocks, bonds, notes, securities or other contractual obligations whatsoever of any railway company, or of any transportation, navigation, terminal, telegraph, express, hotel electric, power or of any other company authorized to carry on any business incidental to the working of a railway, or any business which in the opinion of the Board of Directors may be carried on in the interests of the Company."

This is section 29 of the old Act, 1919

Sir EUGENE FISET: I would point out, Mr. Chairman, that the procedure was different last year and has been different for the last two years. There was a special bill brought to the House which covered those capital expenditures on the part of the Canadian National Railways.

The CHAIRMAN: I know that. That has not always been the law; that is the general law. My opinion of this is, the first $50,000 and the second $60,000, if they were not authorized by the Governor in Council, were illegal expenditures on the part of the railways.

I would like to know if the original $50,000 was authorized by the Government, and the second one.

Mr. POWER: If you are going to have a highly paid legal man here to-morrow, ask him. Mr. Ruel is going to be here, ask him.

The CHAIRMAN: I did not know we decided to ask him to come.

Hon. Mr. MANION: Mr. Anderson might answer that question.

Mr. POWER: He is not getting half that salary.

Hon. Mr. MANION: He happens to be familiar with this, because as I said, I appointed him specially to investigate it.

Mr. ANDERSON: I could not find any order in council authorizing the $50,000. I was not looking for it particularly.

Hon. Mr. MANION: There was one for the $60,000?

Mr. ANDERSON: I am inclined to think there was; I was not looking for that point particularly.

Mr. GEARY: How did the auditor pass it?

The CHAIRMAN: I suppose they have to answer that.

Sir EUGENE FISET: Was the $50,000 paid out of income or out of capital expenditure? I think the first $50,000 was paid out of income.

The CHAIRMAN: It is capital expenditure nevertheless, and is within the terms of the statute.

Sir HENRY THORNTON: With respect of the legality of those items, I suppose and in fact I am quite certain, that the Board that day sought and obtained legal advice through the counsel of the company, and I suppose probably what was done has some legal defence. I am not a lawyer, and I don't know. We followed the counsel and advice of the legal department of the company. I will look into those two points.

The CHAIRMAN: There is a suggestion that the first $50,000 was not an investment, but that it was a loan.

Sir HENRY THORNTON: There seems to be some question as to the legality of those two payments. If you will give me until to-morrow I shall investigate it.

The CHAIRMAN: Gentlemen, it is now six o'clock—

Mr. MCGIBBON: Before you adjourn I should like to draw your attention to my motion. I made a motion and I would like you to put it to the committee.

The CHAIRMAN: What was that?

Mr. MCGIBBON: I put a motion in your hands at one o'clock to-day?

The CHAIRMAN: Do you want it dealt with now?

Mr. MCGIBBON: No. I want the other one dealt with.

Mr. GRAY: What was it?

Mr. MCGIBBON: Mr. MacMillan and I went to Montreal a couple of days ago and asked for certain information. We waited for two weeks and I think it is long enough.

The CHAIRMAN: What is your answer to the memorandum?

Mr. GRAY: Let us hear it, and then the committee will know what it is all about.

The CHAIRMAN:

> Confirming verbal request made as a result of a partial examination of headquarters expense accounts, we would ask you to furnish the sub-committee enquiring into the same with the following: (*a*) Copies of expense vouchers, and supporting statements showing the itemized amounts, for the years 1930 and 1931 for the officials enumerated below. The name of the official might be left off, so long as the voucher is keyed to the letter designated placed opposite each name. The receipts attached to the voucher need not be copied but where these occur, the letter "V" might be shown opposite the corresponding item to indicate that a voucher was filed to support the expenditure. In the case of officials not required to submit receipts, a notation to such effect might be made on the account.

Then follows a list of names. Do you want me to read them? I shall read them if you like.

Mr. GRAY: Certainly. We are entitled to the same information as the sub-committee had.

The CHAIRMAN: A—Col. Hiam, B—Dr. McCombe, C—W. D. Robb, D—G. A. Gaston, E—C. W. Johnston, F—W. S. Thompson, G—G. H. Lash, H—G. F. Goldthwaite, I—A. J. Hills, J—R. B. Teakle, K—P. M. Butler. Also from other regions: L—C. G. Bowker, M—W. J. Barber, N—C. J. Smith.

> We would also like to receive a statement showing for the years 1930 and 1931 the amounts, not included in the expense accounts of officials, expended for the operation of private and business cars while in the service of such officers, including provisions drawn from stores. The expenses of the President in this connection should be stated separately.
>
> It is desired also to have furnished copies of the monthly statements of disbursements in the years 1930 and 1931 from the so-called Hobbs and Shaw Trust Account, showing for each item of $25 or over the destination and purpose of the payment, briefly stated. It may be that you will have to refer this request to Mr. Hobbs in whose custody the accounts appear to be.
>
> It will be appreciated if the copies of vouchers for those at headquarters are furnished as soon as possible, following later with those referred to from other regions.
>
> (Signed)
> T. R. MACMILLAN,
> PETER MCGIBBON.

Mr. GRAY: What does our record show that we authorized the sub-committee to do? I do not recall that they are authorized to go into 1930.

The CHAIRMAN: We authorized them to enquire into the year 1931, that is my recollection.

> *Resolved*: That a sub-committee, composed of three persons, present members of the Railway and Shipping Committee, shall be appointed by the Chairman of the said committee to investigate the expense account of officials, particularly for the year 1931; that the auditors of the company be instructed to assist them and to make such segregation and analysis of said accounts and vouchers as the sub-committee shall direct; and that a report shall be made at such date as said sub-committee shall direct; and further that said auditors be instructed to furnish such clerical assistance as shall place them in a position to report as aforesaid.

Hon. Mr. EULER: Is there a motion before the committee now?

The CHAIRMAN: That is the resolution that was put through by the Committee on that date.

Hon. Mr. EULER: I understood Dr. McGibbon to say that he had submitted a resolution. Is there a resolution?

The CHAIRMAN: No. He had submitted a memorandum for information along the line that I have read. It is directed to Mr. McLaren, the comptroller. What Dr. McGibbon is asking now is that the information asked for in that memorandum be supplied.

Hon. Mr. EULER: I would like to ask is the information that Dr. McGibbon asks for in accordance with the powers conferred upon the sub-committee? I am asking for information.

The CHAIRMAN: As you say, he asked for two years, and the resolution was only for one. I think that is the only difference.

Mr. MCGIBBON: There is just this about that resolution. It was stated that an investigation of the sub-committee into the year 1931 might progressively go back to 1930.

The CHAIRMAN: It might.

Mr. GRAY: Mr. Chairman, my suggestion is this: we have appointed a sub-committee, and the resolution speaks for itself. Now, if that committee cares to bring in a report saying they cannot get that information, let them bring it in.

The CHAIRMAN: I suggest you do not appreciate their position. They went down to Montreal, as I understand, and made some examination. They were accompanied by officials from the Finance Department who were familiar with railway accounting. I think Mr. Roberts was with them—

Mr. GRAY: They spent one day down there.

The CHAIRMAN: I do not know how long they spent. They spent some time, anyway, and they made some investigation, and then they requested this information in writing. This information has not been produced. I think Sir Henry Thornton wants to make a statement on it.

Sir HENRY THORNTON: I simply want to know what the committee wants me to do.

Mr. GRAY: I think my point is well taken, Mr. Chairman. It is up to the sub-committee to bring in their report and if they want to bring in a report that they cannot get the information, then we can deal with that report when it is brought in. It is up to them to fulfil their task as best they can. If they cannot fulfil it, then bring in a report that they cannot.

The CHAIRMAN: As I understand the situation it is this. They have done certain work, and they have asked for certain information which has not been forthcoming. That is their request, and they ask the committee to deal with it. Is that right, Dr. McGibbon?

Mr. MCGIBBON: I might say that we were received with great courtesy down there by the officials, who gave us everything we asked for. We received that information, and we think this committee should have this information; in order to protect ourselves, we do not wish to make a verbal report when we have not got the evidence behind it to back it up. I think the committee should have that; I think it is public property. The officials down there did not hesitate to give it to us. They were very gentle and very courteous, and gave us anything we asked for. I think in order to protect ourselves in case we be accused of making wild statements, we ought to submit evidence on our statements to the committee. The committee can then do what they like. That is their business. We certainly do not wish to bring back a report here without being able to substantiate it. That is very important.

Mr. DUFF: Would the information contained in the memorandum be supplied to the sub-committee, and then they could bring in a report and tell us what they find.

The CHAIRMAN: That is exactly as I understand the position.

Mr. MACMILLAN: Mr. Chairman, as the other member of the committee, I should just like to confirm what Dr. McGibbon has stated. We were treated with the outmost courtesy in Montreal by the officers of the company. They were kind to us and did give us anything we asked for. I agree with his statement as to the written reports; that we should not make any report without being able to substantiate it by documents. We have asked for those documents, but have not got them. I do not know why.

The CHAIRMAN: I think the position is fairly clear. The committee went down there and did some investigating. Then they asked for certain information. I think there is a disposition on the part of the management not to produce the information unless this committee says so. Is that a fair statement of the position?

Sir HENRY THORNTON: I think so.

The CHAIRMAN: What is the wish of the committee in regard to it, having regard to the resolution which we have already passed.

Mr. DUFF: I should like to know why the information should be given, and why it should not be given, if it should not be given. We cannot decide the question on the information we have now.

Mr. BEAUBIEN: Was not that decided some time ago in the committee? Did you not have to cast a deciding vote in that regard some time ago, Mr. Chairman?

The CHAIRMAN: I think not. The resolution in force is the one I read a few moments ago appointing a sub-committee to go to Montreal to get the information that they asked for; but it relates only to the year 1931, because I took the ground, and I think properly so, that only the accounts for 1931 were before the committee.

Mr. MCGIBBON: I think you also took the ground that in getting a comparison for 1931, it would naturally lead back to 1930. I do not think we should have any information that this committee should not have. We have it.

The CHAIRMAN: I think the ground I took was if you went into 1931, it was inevitable that you would have to have a comparison with 1930.

Mr. MCGIBBON: I do not think that we are entitled to anything that any other members of the committee are not entitled to. I do not want to be put in that position. I think that every member of this committee is entitled to it, and

they should have it, and it is up to the committee to do whatever they like with it.

Hon. Mr. EULER: In the first place, they ask Mr. Chairman for the year 1931, and 1930 to make a comparison. I would suggest that they get the year 1929 and 1928 to make a comparison. I think in the first place it would be unwise if the sub-committee of which I was an inactive member, or did not accept it, if you like to put it that way, did not confine themselves to what they were authorized to do. There is also this to be considered, the members of the committee stated that they obtained the information.

Mr. MCGIBBON: We want to give it to you.

Hon. Mr. EULER: If you think the committee ought to have it, you have opportunity to give it. It seems that this committee feels they should give us that information for the records, but want the officials of the road to do it for them. Then, there is another point I should like to mention, since we are making comparisons. Last year there was also a committee, of which you were a member, Mr. Chairman, of five members authorized to get certain information, some of which I think is included in what is asked for to-day. It was then felt advisable, and I think rightly so, that that information was not to be given to the full committee for reasons which I think were very good.

The CHAIRMAN: Did not that relate to salaries, Mr. Euler?

Hon. Mr. EULER: Yes.

The CHAIRMAN: I do not recall it covered this subject matter at all.

Hon. Mr. EULER: I think it did, Mr. Chairman. We decided then it was not advantageous or advisable to have the information given to the sub-committee bluntly broadcast in this committee. I am still of that opinion. I do not see what good public service can be rendered by broadcasting it.

The CHAIRMAN: Can we not sum it up in this way——

Hon. Mr. EULER: If the sub-committee have that information and they say they have it, it certainly should not be taken for granted that that information should be broadcast throughout Canada. I cannot see what good it is going to do the National Railways; I cannot see what harm is done if it is not broadcast. I think the committee should very very carefully consider this matter before taking information which may be very detrimental to the public interest, and broadcasting it all over the country.

Mr. GRAY: Then, following up what Mr. Euler says, I think the same thing applies in principle. I remember last year—I was not on the sub-committee. Mr. Euler was and you, Mr. Chairman, were, and you reported to us certain findings that you made, and then Mr. Chaplin brought out the report which we submitted to the House, making certain recommendations in that report, certain recommendations embodied in it from the findings of your sub-committee, ascertained in their investigation. We were pleased as a committee to accept Mr. Chaplin's action in that regard. Now, in connection with the matter before us, I understand that the railway officials, the Board of Directors, and the Board of Management, as I understand Mr. Boys, are dealing with the matter as quickly as they can. I think if Mr. MacMillan and Mr. McGibbon have found something, it should in a general way be passed on to the Board and the management, and we as a committee would be glad to incorporate that in some way in the general report, on the advice of the Chairman. I know I would be glad to do that. As far as the sub-committee is concerned, they should now deal with the information they have obtained, complete their task, and bring in their report.

The CHAIRMAN: I think there is a misunderstanding. With reference to last year I would like to say this, that my recollection is that it was confined wholly to the question of salaries. Am I not right, Mr. Chaplin?

Hon. Mr. CHAPLIN: No.

The CHAIRMAN: This year the committee has passed a resolution in the terms I have read relating to expense accounts. In the course of their investigation the special committee have got certain information. They are asking now in writing to the Comptroller for certain additional information. Is that correct?

Hon. Mr. EULER: We want it in writing from the officials.

The CHAIRMAN: Perhaps I am under a misapprehension.

Mr. McGIBBON: If I may anticipate what we have to put in the report, I may say that we went to Montreal and we got a very courteous hearing. We found, of course, that there was nothing there but head office accounts—Vancouver, Winnipeg, Detroit, Toronto, Moncton, were not there. We took at random a number of accounts and asked for the vouchers, and I must say that we got some startling information which I think the committee should have. We did not confine ourselves last year to one year; we got information from 1928 to 1929 or from 1929 to 1930. There is not precedent to go by. All these roads are owned by the people, and I claim that the people have a right to this information. This is no secret society I hope. I do not think I am entitled to anything which the other members of the committee are not entitled to, but I would like to have on record, or behind us at least, vouchers for these accounts so that when we make our report we will have something to go on.

The committee adjourned to meet Wednesday, May 4, at 4 o'clock p.m.

Room 231,

May 4, 1932.

The Select Standing Committee on Railways and Shipping met at 4 p.m., Mr. Hanson presiding.

The Chairman: Mr. Dunning is here in response to a telegram from the Secretary of the Committee under instructions from the Committee, and in deference to the fact that he is an old Privy Councillor, an old Member of the House and an ex-Minister, I feel that we should call him first and discharge him after he has given his evidence.

Mr. Duff: Why not have Mr. Décary first.

The Chairman: I am only doing it out of courtesy to Mr. Dunning.

Hon. Mr. Dunning: I am at this Committee's disposal to-day, Mr. Chairman. Just do as you like with me.

The Chairman: I suggest we call Mr. Dunning first.

Hon. Charles A. Dunning, called.

The Chairman: Mr. Chaplin wants to ask Mr. Dunning certain questions. I will be glad if he will now proceed.

By Hon. Mr. Chaplin:

Q. During what period, Mr. Dunning, were you Minister of Railways and Canals? Do you remember the period when you came into office and when you quit?—A. To the best of my recollection, March, 1926, with an interregnum in 1926, sworn in again in September, 1926, and resigned as Minister of Railways in November, 1929.

Q. Part of that time though, you were unwell, and did anybody occupy the position of Acting Minister?—A. It seems to me that I had to leave the House of Commons in May, 1929, and I was not back on active duty—as I think members of the Committee know—until October of that year. I was in the hospital most of the time and convalescing.

Q. During the period that you were Minister the contract that the Government had with Sir Henry Thornton for and on behalf of the Canadian National Railways, expired, and had to be renewed. I presume you can tell us something about the renewing of that contract. You remember the occurrence, I presume?—A. Very well.

Q. You signed the contract for the Government?—A. Yes.

By the Chairman:

Q. Did you negotiate the contract, Mr. Dunning?—A. Yes.

By Hon. Mr. Chaplin:

Q. The contract itself embodied all the leading clauses of the old contract; there were only one or two slight changes, one in respect to salary. Do you remember what changes there were?—A. I cannot specify the changes in detail.

Q. There were very few details?—A. I am very familiar with the new contract because I spent a lot of time over it.

Q. During the discussion of that contract, did you ever hear anything about a proposal by anybody of a bonus of $100,000 likely to be proposed to Sir Henry Thornton?—A. Yes.

Q. Was that from the Board of Directors?—A. In 1928 the late Major Graham Bell, who was then Deputy Minister of Railways, and the representative of the Government on the Board, intimated to me that the Board, or some member of it—I would not say it was the whole Board—were discussing a proposal to pay Sir Henry Thornton a substantial bonus in recognition of the success which he had attained as President of the Canadian National Railways. The reason the matter was discussed with me was because there was some doubt in the minds of those who were proposing it as to whether the Board under the law would have authority to do such a thing.

The CHAIRMAN: And under the contract.

The WITNESS: Well, that is, of course, the same thing.

The CHAIRMAN: Well, hardly.

The WITNESS: The contract was with the Government. I expressed the view that the Board had no such power in view of the law and the contract and it ended there.

By Hon. Mr. Chaplin:

Q. That is all I want. In other words, the matter came to your attention and was rejected?—A. Yes, I think that is a fair statement.

Q. That is a fair way to put it. I don't want to put any words in your mouth?—A. Of course, in fairness to Sir Henry Thornton perhaps I should say that he also intimated to me that he had rejected the proposal.

Q. I am glad to have that explanation. At any rate, as far as you and the Government were concerned the matter of a bonus was not considered any more? —A. Right.

Q. At that time were you aware of any payments being made to Sir Henry Thornton by any subsidiary company of the Canadian National Railways?—A. I was not aware of the details of payments to him at that time, no. I did presume that the expenses of the general officers might well be distributed, but I had no knowledge of the detail.

Q. For example, there was the Central Vermont Railway, and you were not aware that he was receiving a salary from the Central Vermont, or from any other subsidiary company, by way of salary or emolument?—A. No, I was not aware of that.

Q. Were you aware, or was it discussed in your presence, of any arrangement or any contract, that he should have a free house?—A. No, but the matter of providing a house was submitted to me in 1928. Well, submitted is hardly the word, if you will permit me, Mr. Chaplin.

Q. Absolutely.—A. It must have been shortly after the bonus discussion that Major Graham Bell intimated to me that there were those on the Board of Directors who desired to see the President of the Canadian National Railways provided with an official residence. The arguments for so doing were put before me, and in view of the fact that purchasing such a property would, of necessity, be a capital expenditure, and, therefore, would have to go into the estimates to be approved by the Minister and subsequently by parliament, I was asked how I would view such a proposal, and I intimated that I could not approve the inclusion of a sum in the estimates for that purpose.

By the Chairman:

Q. Would that be in 1928 or 1929?—A. 1928.

Q. May I interject, Mr. Dunning, to call attention that the first record of which we have any knowledge was September 17, 1929?—A. Well, I am very positive about 1928, because I know I was in the hospital in 1929.

By Hon. Mr. Euler:

Q. That referred to a proposed purchase?—A. Quite, with reference entirely to a proposed purchase.

By the Chairman:

Q. And you rejected the suggestion?—A. Well, I rejected the suggestion in this sense, that the purchase of a house could not be included in the capital estimates, at least I would not approve of it being so included; that is, a sum for the purchase of a house.

By Hon. Mr. Chaplin:

Q. While you were Minister did a proposal to lease or rent a house for the President of the Road come before your attention?—A. The proposal to lease was never submitted to me. As a matter of fact the Board of Directors would not require to submit to the Minister a proposal to lease anything; but I remember distinctly on my return after my illness in, I would say, October, 1929, the late Mr. Robb—I hesitate to introduce his name—naturally informed me of matters which had been going on in connection with the Railway Department during his period as Acting Minister, and among those matters was that the Directors of the Canadian National Railways were still of the opinion that a house should be provided and that they were investigating the possibility of leasing a house, which was quite within their competence to do under the law. That knowledge came to me, it would be in the month of October, about the month of October, 1929.

By the Chairman:

Q. After your return to your duties?—A. Yes, after my return to my duties.

By Hon. Mr. Chaplin:

Q. Well, of course, I do not know whether you have become in any sense acquainted with the record here, but I can tell you that the Hon. James A. Robb's name has been brought into the discussion before you brought it in. You are not the first to bring his name into it.—A. Mr. Robb was aware of the idea of leasing. I was made aware of it immediately on my return to duty.

By the Chairman:

Q. By him?—A. By him.

By Hon. Mr. Chaplin:

Q. I have heard that you had approved of it personally, and as the Minister of Railways and Canals it has been stated that you approved of it, and I wanted to hear what you had to say in reference to this matter.—A. Well, the approval of the Government, Mr. Chaplin, or the Minister, is given in only one way. It is given by Order in Council. I will stand by any official document which I signed that signifies approval. In the absence of any document signifying approval, I think that speaks for itself.

By the Chairman:

Q. You take the view, then, that the only way that formal approval could be given would be by Order in Council?—A. An Order in Council would not be necessary under the law—as I think the present Minister will confirm—for the leasing of any property by the Board of the Canadian National Railways. They are doing it as a matter of ordinary business in connection with anything which transpires regarding the business of the road which, in their judgment, demands that kind of action; but with respect to a capital expenditure, that would have to go to the Minister.

Q. That is the distinction?—A. Oh, yes.

By Hon. Mr. Chaplin:

Q. On page 103 of the printed evidence of the Committee, there is presented to the Committee a message sent out by Sir Henry Thornton and directed to Moore of Geneva, which is, no doubt, Mr. Tom Moore, one of the old directors and one of the present directors of the Canadian National Railways. I will read the telegram:—

MONTREAL, April 20, 1932.

Moore, Canada of, Geneva.

Questions being raised in Committee of House as to payments and allowances made by Directors in addition to straight salary covered by contract especially in view limitation as to salary contained in said contract. My understanding is that at time contract was made in 1929 entire matter was discussed with Minister Railways and it was understood Board of Directors were free to grant at their discretion other annual payments and allowances, as for instance payment to me from Central Vermont and Grand Trunk Western, and could also at their discretion provide free house, and in pursuance thereto action of Directors was taken accordingly covering items above. Would appreciate cable from you setting out if this is your understanding and confirm my understanding that above is in accordance with the facts.

(Sgd.) THORNTON.

Now, I do not need to read the answer, but I would like to know generally what you have to say in reference to that, because the Minister of Railways, I presume, is yourself. I don't quite understand from my own point of view, I don't believe that you knew some of the things that were there said and I wanted to get your own point of view in regard to it.—A. Well, I notice over the page the statement which I authorized Sir Henry Thornton to make in that regard which I can confirm in every detail.

Q. Yes, sir, I read that.—A. And that is:—

The salary contract with Sir Henry Thornton provided for $75,000 annual salary and also provided that reasonable expenses should be paid. The Board of Directors have exactly the same authority over Sir Henry Thornton's expenses as over all expenses of the Canadian National System.

Now, really, Mr. Chairman, I cannot express it more tersely.

Q. I read that, and reading the two together I cannot conceive that you could comply in effect to the writing that was set down here, and I just wanted to get your view on that because your name is mentioned there as Minister of Railways, and that is one reason why I asked you to come here, otherwise I would never have asked you to come.—A. The understanding, Mr. Chairman, with reference to the contract, is very clear. I was very anxiou to have a contract which was beyond cavil as to its meaning, and very clear. Sir Henry was equally anxious and the result is the document you have before you. It speaks for itself.

Q. Absolutely. I believe it was pretty nearly iron-bound and that is one reason why I am asking you. Now, I do not think, Mr. Chairman, that I need go any further. I have elicited all I want to know, and I do not think I have anything more to say to Mr. Dunning whatever.

By the Chairman:

Q. Mr. Dunning, you have told us that you knew nothing about the $5,000 from the Central Vermont, and the similar amount from the Grand Trunk

Western?—A. It depends upon what they were for. If the Board of Directors decided, then or at any other time, to say that $5,000 from this company should be allocated to Sir Henry Thornton for his expenses, they would have a perfect right to do that and that would not be in contravention of the contract.

Q. Let me call your attention to the fact that all the contracts have set a specific sum as salary and covering all services and all emoluments?—A. Yes.

Q. Now it has been established beyond question that there were sums which, I think, aggregate $30,000 which were paid to Sir Henry Thornton, made up of several $5,000 items and a $15,000 item. Were any of those passed by you as Minister of Railways and given your sanction informally or otherwise?—A. No, they would not require to be if they fell within the terms of the expense provision of that agreement.

Q. They were not expenses but they were straight salary of subsidiaries?—A. The contract speaks for itself.

The CHAIRMAN: The contract covers that of course.

By Hon. Mr. Euler:

Q. For example, as to the payment of a salary by the Central Vermont and the Grand Trunk Western, was it within the legal power of the Board of Directors to pay those salaries?—A. I appreciate the compliment, Mr. Euler, but I am not a lawyer.

Q. I will change that. Was it, in your opinion, within the powers of the Directors?—A. I do not believe that the Directors had any power to pay Sir Henry Thornton in the form of salary any more than the sum stipulated. The expenses on a railway are rather different from the expenses of an ordinary individual; and if they decided to make an allowance for a specific kind of expense or to cover this or that which was a reasonable expense, then they had a right to do it.

By the Chairman:

Q. Then it was within the contract?—A. Quite. But so far as salary was concerned, as a salary matter, in the framing of the contract and approving of it by the Government the salary was to be $75,000.

By Mr. Duff:

Q. Mr. Dunning, what was your policy as Minister of Railways concerning any purchase which the Canadian National Railways might make?—A. I did not have anything to do with that. I did not interfere with that .

Q. You did not interfere in any way with the purchases by the Canadian National Railways while you were Minister of Railways?—A. No. I had a great many allegations from you, Mr. Duff, that a great many Tories were getting business from the Canadian National Railways—the same as I doubt not the present Minister has complaints that a great many Grits have been getting business from the Canadian National; but that was not my business.

Q. That is the reason I have asked you?—A. I treated you the same as anybody else.

Q. And you said that there was no political interference?—A. Exactly. I do not think any one who is here will allege that they got any different treatment.

Mr. POWER: Then you were not as good a Minister of Railways as the present Minister.

The CHAIRMAN: Has anybody else any question to ask Mr. Dunning? If not, we will be glad to discharge Mr. Dunning; but there is ample opportunity to ask him any question.

Mr. DUNNING: I would request that the committee get through with me to-day, if possible. All of to-day is at your disposal, but I wish to get back.

The CHAIRMAN: This is the opportunity and the only opportunity, I apprehend, to ask Mr. Dunning anything on this inquiry. If nobody has any question to ask Mr. Dunning, we will be glad to excuse him from further questions.

Hon. Mr. CHAPLIN: And discharge him.

The CHAIRMAN: Yes.

Hon. Mr. EULER: In the interests of economy, I suggest Mr. Dunning do not take any witness expenses.

The CHAIRMAN: Mr. Dunning should be treated in exactly the same way as any other witness.

Mr. POWER: Let him go home by the next train.

Mr. BEAUBIEN: May I say, Mr. Chairman, that it is worth a great deal to see his smiling face again.

The CHAIRMAN: You pay the bill.

Hon. Mr. DUNNING: I might say, Mr. Chairman, that I was a little alarmed yesterday when I received the telegram, by reason of the fact that it was marked "collect." I want to absolve the clerk from any blame in that connection.

The CHAIRMAN: Was my name signed to it?

Hon. Mr. DUNNING: No.

The CHAIRMAN: Then I will be absolved too.

Mr. DUFF: That also was in the interests of economy, and that was once that the Canadian National got the advantage over the Canadian Pacific Railway.

Hon. Mr. DUNNING: And in reply I sent my answer collect, so that we were even.

The CHAIRMAN: The clerk gave orders to have the telegram forwarded charge.

ERNEST R. DÉCARY, called and sworn.

By the Chairman:

Q. Will you please tell your name, address and occupation?—A. Ernest R. Décary, Chateau Apartments, Montreal, President and Director-General of the Title Guarantee Company.

The CHAIRMAN: Mr. Power, you asked for this witness, and he is at your disposal.

Mr. POWER: Did I ask for this witness?

The CHAIRMAN: Unquestionably.

By Mr. Power:

Q. Then, Mr. Décary, as a matter of courtesy I might question you in French. Would you prefer it to be in English?—A. I think everybody would understand it better.

Q. I do not know what particular information we wish to have from you, Mr. Décary, except if you would give the committee some of the details of the transaction involved in the leasing of a house to the Canadian National Railways, which house is now used as a residence by the President of the Railway? —A. Well, gentlemen, as you are aware, as you have been told, I was a Director of the Canadian National Railways from 1922 to the end of the year 1930. I think in the fall of 1928 or in 1929 there was some discussion at the Directors' meetings of the purchasing of a house for the President of the Railway, Sir Henry Thornton.

By the Chairman:

Q. Who instituted the discussions?—A. Well, I would not remember, sir; I could not, really.

Q. Did you?—A. No, sir.

Mr. POWER: If he is my witness, I am going to ask that he be allowed to tell his story.

The CHAIRMAN: I can cross-examine him later.

The WITNESS: I may say that I was against the purchase of a house for the president, because, as I told the Board at the time, the president comes and goes, and when the president is gone we might be landed with a house which would not suit the next president of the railway; but that I did not have any objection to leasing a house, to voting for the lease of a house.

I understood at the time, notwithstanding what Mr. Dunning said, that the Minister was aware of such discussion. I may say that at every Board meeting the Deputy Minister of Railways is present, and reports, I was told, to the Minister a great deal of what is done. He is practically the representative of the Minister of Railways on the Board. At that discussion I know that the Deputy Minister—I think when it was first started it was Mr. Henry who was Deputy Minister—was at the Board meeting. After it had been decided to rent the house for Sir Henry, Sir Henry was asked to look around and see what house he wanted to have rented; and he finally decided, after looking around, that he could not do much better than the house he was in.

During the discussion with the Board, as I was supposed to know a little more about real estate than the others, I was asked if Sir Henry could purchase the house he was in, if I could finance it. And after we rented it, I said, I would, provided the property was bought at a right price. I followed a good deal of the negotiations between Sir Henry and Mr. Beardmore. I think Mr. Beardmore wrote a long letter to Sir Henry stating that his house was worth $300,000, but to Sir Henry Thornton he would sell it for $250,000. Sir Henry asked what I thought of it, and I said: Can't buy it at that; somebody will be landed with the house at the end of the lease, and if I am going to be financing you, I want something which will not be a loss to anybody; so that if you cannot buy that house at a cheaper amount, we might as well forget it.

Negotiations went on well on to 1930, in the spring of 1930, and at last, after consulting with me, Sir Henry made a definite offer to Mr. Beardmore of $175,000. That was well known to the whole Board of Directors. Mr. Beardmore answered: Will accept your proposition, or something like that, provided you buy the furniture that is in the house for $10,000 to make in all $185,000, subject to the right by Mr. Beardmore to move a certain amount of furniture that he mentioned. I said to Sir Henry: If the Board approves, I am willing to stand behind it and finance the purchase of that house at $185,000 and turn it over to the railway as a tenant, for you.

Some time afterwards I met Mr. Donaldson, the manager of the Montreal Trust; I do not know if I met him on the street or if I simply telephoned to him; and I told him what was in the air. I said the railway wants to rent the house; the house will cost $185,000; if you supply the money, Mr. Séguin of my office will purchase the house and will rent it to the Canadian National Railways for 8½ per cent plus taxes, repairs and upkeep, and you will get 6½ per cent on your money, and the difference between 6½ and 8½, because it goes increasing every year, will be yours for amortization, and I will stand behind it, I will guarantee the performance of this duty. Mr. Donaldson said: Well, you send me a letter to that effect and it will be all right. I wrote him a letter to that effect in June, which was accepted by Mr. Donaldson.

On the 15th June there was a meeting of the Executive Committee. The president was going away west, he had accepted the purchase price. The price at that time stood as all in the name of Sir Henry Thornton. The committee meeting was held in his own office, in his private room. At that meeting there were Mr. Ruel, the chief solicitor of the railway, Mr. Rayside; there was Mr. Smart, the Deputy Minister of Railways, representing always the Minister; there was Mr. Henry, Mr. Gardner, and myself, outside of the president, whom I forgot to mention, and the secretary, Mr. Ormsby. The whole transaction was explained to the committee. I told the committee we would have to pay 8½ per cent because that house is going to deteriorate in the next ten years; the lender won't lend on a straight loan without having payments; and the property will be placed in the name of Mr. Séguin, from the office of Décary, Barlow and Joron.

It was adopted that we buy the house, and I was appointed by them a committee of one to see that the wishes of the Board were carried out.

At the time I told Mr. Ormsby, if you will allow me, I will have our legal department prepare the resolution so that it will not be turned down by the Montreal Trust after the lease, in proper legal terms that they want. I will submit it to you; then I will send it back to you and you can submit it and enter it in your books. Then Sir Henry left right after that.

The CHAIRMAN: That took place on the 16th of June?

Mr. DÉCARY: Yes.

The CHAIRMAN: According to the minute filed by Sir Henry Thornton—

Mr. POWER: I am not through with the witness.

The CHAIRMAN: I just asked this as a matter of dates.

Mr. POWER: If he is my witness, I insist on having him as long as I want to get information from him. Mr. Décary, will you go on please.

Mr. DÉCARY: May I refer to my file? Subsequently I took the matter up with the Royal Trust Company, who were acting for Mr. Beardmore. I told them that the option given to Sir Henry was accepted.

Mr. POWER: What date was that?

Mr. DÉCARY: In June. I have a letter here of 26th June to the Royal Trust.

Mr. POWER: Addressed by you to the Royal Trust Company.

Mr. DÉCARY: Yes. We asked for the deed, and we started to examine all documents, and to give orders to our legal department and the Title Guarantee to prepare the sale from Mr. Beardmore represented by the Royal Trust to Mr. Séguin. This took quite a long while. I see that on July 9, I forwarded to Sir Henry a document for him to sign, saying:—

> I wish to advise you that I hereby transfer to George Henri Séguin all my rights in the option I have to purchase Fred M. Beardmore's property at No. 1415 Pine Avenue West, Montreal, and I would ask you to have the deed of sale made in the name of Mr. Séguin.

This was sent to the Royal Trust asking them if they had any objection to make a deed of sale to Mr. Séguin. Mind you, at that time Sir Henry was away west. I sent that away west to be signed.

Mr. POWER: Let me ask you when the option from the Royal Trust Company representing Mr. Beardmore to Sir Henry Thornton was signed.

Mr. DÉCARY: I cannot tell you that. I think it was done by wire or correspondence, I do not know.

Mr. POWER: It was sometime prior to July 9th?

Mr. DÉCARY: Oh yes, I think it was in May. I think the offer of Sir Henry was prior to May or early in May.

Mr. POWER: Certainly it was prior to the meetings of the Board of Directors held in June?

Mr. DÉCARY: Oh it was away in May. I have a letter here from the Royal Trust dated 31st May, 1930, to E. R. Décary, M.P.:—

> DEAR SIR,—Sir Henry Thornton has agreed to purchase Mr. Beardmore's property on Pine Avenue at a price of $175.000 payable cash on the signing of the deed of sale. He has also agreed to purchase the contents at a price of $10,000. However, certain articles are not to be included in the sale; these are referred to in a letter from Mr. Beardmore to Sir Henry Thornton dated 29th November, 1929, and the paragraph relative thereto reads—

And certain articles of furniture are specified.

The title was quite complicated, in part there was an illegal abutment on Sir Henry Holt's lot next to it, and part of the driveway to Sir Henry's property formed part of the park, did not belong to Mr. Beardmore, and we wanted to have that rectified. By the 18th of July they said they were ready. They wrote:—

> We return Notary Hector Décary's draft deed of sale to Sir Henry Thornton or nominee in respect of property kown as civic No. 1415 Pine Avenue West, Montreal, which we have examined and approved subject to the following amendments.

Then certain amendments were specified.

> The sale was made for a consideration of $175,000 cash and an extra $10,000 additional for certain furnishings. In our opinion the clause under the heading of "price" should be amended accordingly.

Then a letter was written to Mr. Donaldson, dated 24th June, 1930, reading as follows:—

> DEAR MR. DONALDSON,—Referring to our conversation of the other day in connection with the Beardmore property on Pine Avenue, I or my nominee subject to my personal guarantee will purchase the above property for $185,000 cash, the property subsequently to be rented to the Canadian National Railways for ten years at a price representing 8½ per cent per year, net, outside of taxes of any kind, repairs and improvements.
>
> You will make a loan for this amount of $185,000 for ten years, at 6½ per cent, the difference between the amount of difference paid and 8½ to be applied as a sinking fund on the amount of the loan. Your Company will be given a first Mortgage on the property and an absolute transfer of the Canadian National lease as guarantee for the loan.
>
> We should be in a position to complete this transaction during the first days of the month of July. Will you please advise if this is convenient to you.

Mr. POWER: If I may interrupt, the 2 per cent which was characterized here yesterday as being your graft?

Mr. DÉCARY: So I believe.

Mr. POWER: You have not participated in that graft, needless to say?

Mr. DÉCARY: Not yet.

The CHAIRMAN: The ten years have not elapsed.

Mr. POWER: May I ask, was there any graft to anyone in this thing.

Mr. DÉCARY: No sir, not that I know of.

Mr. POWER: Any commission?

Mr. DÉCARY: No sir, no commission. And as it is always good to have things well understood, any commission that would have been paid on this would have been paid either by the Montreal Trust or by Mr. Beardmore or by the Royal Trust, his agent. I give you my declaration that there was no such commission. You can ask them, they ought to be able to tell you.

Mr. POWER: I am asking you that because your conduct in this matter was characterized by the Chairman as being a breach of trust, and there was an intimation from some other members of the committee that you had accepted or received or in some way obtained 2 per cent by way of graft or commission or remuneration for yourself. I am asking you now if you will state definitely—

Mr. DÉCARY: I must state that I read with a great deal of pain last night the reports that were made in very big letters in all the Montreal papers—I would certainly feel grateful if the papers would give as much prominence to to-day's proceedings as they did to yesterday's, in justice to myself.

Mr. POWER: May I interrupt to ask the Chairman if he will ask the newspapermen to give as much prominence to to-day's proceedings as to his remarks yesterday.

The CHAIRMAN: I think you can take that for granted. That is, all the proceedings. We are not through yet.

Mr. POWER: To this section of the proceedings at least.

The CHAIRMAN: Yes.

Mr. POWER: Now I think, Mr. Décary, you were continuing your story, I am sorry to have interrupted.

Mr. DÉCARY: The examination of titles continued, and we were ready to sign all deeds just around the time the elections came on. The elections, if I remember aright, came on the 28th of July. Then Sir Henry Thornton was coming back from the west. He was to be here on the 6th or 7th of August. So I delayed the matter until his return. Also I may say that as you said yesterday, the resolution of the Board at the meeting of the 16th had not been entered in the books. I had in the meantime prepared such a resolution which I sent to our Mr. Ormsby. I am afraid I have not a copy.

Mr. POWER: You had prepared such a resolution in order that it should be in proper legal form as required by the Trust Company?

Mr. DÉCARY: Yes. I think I have it here somewhere.

The CHAIRMAN: It is in the record now anyway.

Mr. DÉCARY: I have a copy of the resolution. I do not know if you put exactly that one. There was a resolution prepared. Anyhow there was a meeting on the 8th of August. Meantime Mr. Séguin was going away on his holidays, so I said to him, "You better sign these deeds before you go, because the transaction will likely be completed before you come back." I think he went away about the 2nd or 3rd of August. On the 7th of August, Mr. Manion was sworn in or appointed Minister of Railways, I think. On the 8th of August the meeting of the committee took place. I do not think Mr. Smart was there, but Mr. Ruel the chief solicitor was there, Mr. Gardner, Sir Henry and myself, and I do not know if Mr. Rayside was there, I do not remember. The resolution that you have on record was passed on that date. I think it was the 6th or 7th, I may be making a mistake of a day or so. It must have been the 6th the meeting took place.

The CHAIRMAN: The resolution says the 7th.

Mr. DÉCARY: Well the sale was on the 8th, the resolution could not be the same day. On the 8th of August I received a cheque from the Montreal Trust to the order of Mr. Séguin for $185,000. As Mr. Seguin was away and could not endorse the cheque, and the Royal Trust were clamouring for their money, I

telephoned my bank and I said, May I endorse that cheque on behalf of Mr. Seguin and deposit it with you, and I will issue another one right away by the Title Guarantee to the Royal Trust for the same amount? It is just the money passing through our hands for a sale. I said, When Mr. Séguin comes back I explained to Sir Henry that I did not mind him taking the house at any time, but if I die in the meantime I do not want my estate to be encumbered with the thing for the rest of their life. So, I said, it is only fair that you should immediately make up your mind if you want the house or not, and if not they will be free to sell it subject to your lease to whoever may want to buy it, and clean up the estate.

As far as this transaction is concerned I think that is all there is to say, so far as I know. The rental is paid regularly by the Canadian National Railways to G. H. Séguin, and the money is in turn paid over in full to the Montreal Trust.

Mr. McGIBBON: Mr. Chairman, may I ask a question or two.

The CHAIRMAN: Yes. Is Mr. Power through?

Mr. POWER: Yes, I am through for the time being.

Mr. McGIBBON: Your lease to the Canadian National was for a rental of $15,725 a year, 8½ per cent?

Mr. DÉCARY: Yes.

Mr. McGIBBON: Plus insurance and taxes, in other words it was to be returned at the end of the tenth year in as good condition as you bought it. Isn't that correct?

Mr. DÉCARY: The usual wear and tear excepted.

The CHAIRMAN: It does not say so.

Mr. McGIBBON: It does not say so.

The CHAIRMAN: May I read the provision of the lease; clause 5:—

> To leave and abandon the hereby leased premises at the expiration of the present lease in as good order and condition as they were at the time the lessee took possession thereof.

Mr. McGIBBON: If you only pay the fair price for it is it not a plain statement of fact that 2 per cent on that is being paid them every year.

Mr. DÉCARY: On the loan, yes.

Mr. McGIBBON: Then in ten years the house has amortized to a certain extent?

Mr. DÉCARY: Yes, sir.

Mr. McGIBBON: And that is to your profit isn't it?

Mr. DÉCARY: I would not say it is to my profit. Your building will go down in value, it will not be worth more than the amount of the original purchase price less the 2 per cent.

Mr. McGIBBON: Well that is not necessarily a statement of fact. My statement is this, that you did get 2 per cent profit, is not that correct.

Mr. DÉCARY: Yes. Against that, let me explain, the Railway or Sir Henry is at perfect liberty to say to Mr. Décary: This house to-day is worth $175,000. In ten years from now—

Mr. McGIBBON: I will come to that later. Assuming that you are only getting a fair rental, that you want to supply a house, why did you not continue to pay the rent at $600 a month, which would only amount to $7,200 without taxes? Why did you put the country to about $18,000 expense when $7,000 would have supplied the same house? Was that fair to the tax payers of Canada.

Mr. DÉCARY: I am one of twenty directors.

Mr. McGIBBON: But you are the main man.

Mr. DÉCARY: I would not say that.

Mr. McGIBBON: Well, as a director—

Mr. POWER: Let the witness answer.

Mr. DÉCARY: If you will allow me to say, I agreed to finance the proposition of the Board.

By Mr. McGibbon:

Q. Well, did anyone else have anything to do with it but yourself?—A. The whole Board did the renting of the property, not me.

Q. They confirmed it?—A. No, sir.

Q. Do you mean to say the whole Board— —A. The whole Board didn't confirm. The whole Board agreed to rent the house at 8½ per cent of what it would cost to purchase. When the purchase price was agreed upon, then I was asked to finance it.

Q. Yes, but didn't you tell us a little while ago that you arranged to get the money from the bank and arranged that the rate was going to be 6½ per cent? Now, is that not a fact?—A. I told you that after the house had been purchased, after the price had been agreed upon, the Board decided to rent the property. Then subsequent to the 15th of June I arranged the financing of that property.

Q. That is just what I say, you did the whole thing?—A. No, no.

Q. Until it got up to the Board for approval?—A. No, no. I object to that, sir. I did the financing of the house. I had nothing to do more than a member of the Board for the renting of the property.

Q. Well, now, what financing did you do?—A. I told you at first that I was against the purchasing myself of the property.

Q. What financing did you do? You said you did the financing. What financing did you do?—A. The financing—finding a lender who would be willing to lend the whole amount of $185,000 to buy the house.

Q. Well, I will admit that you would not find very many lenders of that kind, would you?—A. No.

Q. And you were the only one that arranged that kind of an agreement, and there was two per cent profit. Now, that is a fair statement of fact, is it not?—A. I object to that word "profit," sir, because your profit will appear, your profit will exist at the end of ten years provided the house at that time is worth more than $185,000 less amortization. You don't know that, I don't know that, nobody knows it.

Q. Your very agreement stipulates that it must be worth that.—A. Oh, no. I may say this house will have to be in the same position, but properties at that time may have gone down. The value of Pine Avenue as a residential district may have gone to the devil. They are now talking of putting electric cars and buses on it. From a high class residential property with houses worth at least $100,000 it may become a very ordinary street like Sherbrooke Street; you don't know what it will be.

Q. Or it might go up?—A. It might go up, but I think at the present time there isn't much chance of it going up.

By the Chairman:

Q. You took a gamble on it anyway?—A. No, sir. I think the gamble is on the other foot, because the railway has a perfect right to go to Décary and say—Décary, this house is worth more than is due on it to-day and we want it; and I have got to give it to them.

Q. That was only an afterthought, that was not incorporated in the lease.—A. Well, but that—

Q. That was a private matter between you and Sir Henry Thornton.

By Mr. McGibbon:

Q. Wasn't that an afterthought?—A. I was asked afterwards if I would do that and I said yes I would have no objection.

Q. Will you please listen to my questions and answer them? Wasn't that an afterthought after the Government had been approached—A. No, that was not what brought this letter into effect.

Q. But it came on after that? If you don't know, I can tell it to you.—A. I didn't have anything to do with it, sir.

Q. Why, when you could have got this same house for a rental of $7,000 without taxes, did you put the country into an expense of about $18,000?—A. At that time Mr. Beardmore told Sir Henry Thornton that the house was going to be sold. I think Sir Henry has a letter in his file where Mr. Beardmore wired or where Mr. Beardmore says—If you will not decide to buy the house within such a time my offer is off because I am going to sell it to someone else. I don't know but Mr. Beardmore might have been doing a little lying.

Q. He did not tell you he had any offers for it? Did he tell you he had any offers for it?—A. He said he had another offer for it.

Q. He didn't tell you how much?—A. No.

Q. Now, Mr. Décary, you have been in the habit, I am informed, of doing considerable business for the Canadian National Railways.

The CHAIRMAN: Cannot we clear this up first and then return to that?

Mr. MCGIBBON: I am getting at the same thing.

The WITNESS: No, I was the solicitor, the notary.

By the Chairman:

Q. The question that was asked you was, you have done considerable work?—A. I said no, but I am telling you that I was acting as notary to the Grand Trunk Railway and the Canadian Northern Railway before their amalgamation.

By Mr. McGibbon:

Q. We won't quibble about words. You or your firm, as a matter of fact handled hundreds of lots for the Canadian National Railways in connection with the Montreal Tramways?—A. No, sir.

Q. Or other regions?—A. No, sir. The firm of Décary, Barlow & Joran did. Mr. Joran of the firm of Décary, Barlow & Joran has acted as notary not to buy, to prepare their documents of property.

Q. And how much money have you got out of the Canadian National Railways in fees?—A. Not me.

Q. Well, your firm?—A. I cannot tell you.

By the Chairman:

Q. Thousands of dollars in fees while you were still a director?—A. Oh, but I wasn't getting anything out of it personally.

Q. Do you mean to tell me that your firm was doing thousands of dollars worth of work for the Canadian National Railways and you got nothing out of it?—A. No. The firm got it. My interest in the firm is only nominal just now. The firm is composed of Mr. Joran, Mr. Hector Décary, my son; Mr. Séguin is a member of the firm on a salary; and there are a couple of other young fellows.

By Mr. McGibbon:

Q. But it is a fact, though, that your firm did a lot of business and got a large amount of money from the Canadian National Railways?—A. The firm

of Décary, Barlow and Joran were the notaries for the Canadian National Railways before I became a director, and they continued to act as the notaries.

Q. And continued to draw fees, didn't they?—A. Yes.

By the Chairman:

Q. And did you sever your connection with the firm when you became a director?—A. I retained a nominal interest.

Q. What do you call a nominal interest?—A. Because my boy was just coming into the firm and I wanted to see—

Q. What do you call a nominal interest?— What is your interest?—A. My interest is as head of the firm of Décary, Barlow and Joran.

Q. In other words, they did the work and you took the cream?

By Mr. McGibbon:

Q. Now, Mr. Décary, is it not a fact that you have hundreds of lots around the Montreal terminals?—A. I have what?

Q. Hundreds of lots?—A. I have?

Q. You or your firm?—A. I have hundreds of lots?

Q. Yes, you or your firm?—A. What do you mean by that, sir?

Q. I mean lots?—A. That we own property around the terminals?

Q. Yes.—A. Not one of them.

Q. Hasn't your firm?—A. Not the firm, nobody, directly or indirectly interested in them.

Q. You had acted, though, as notary in all those transactions between the public and the Canadian National Railways?—A. Mr. Joran has acted as notary in all those transactions, not me.

Q. Well, your firm has? You make quite a distinction between yourself and your firm. I don't know whether you carry that into private life or not. —A. We can show you that, sir.

Q. Getting back to the financing of this, could any other man but yourself have gone to the Montreal Trust Company and borrowed the full amount of this money?—A. I don't know; the Montreal Trust will have to answer that.

Q. Is it customary for the people in the Province of Quebec to be enabled to borrow 100 per cent or more of the purchase price of property?—A. On the security of the Canadian National Railways, yes.

Q. Yes, very well.—A. That was the main guarantee.

Q. The main guarantee was the Canadian National Railways?—A. Yes.

Q. And on the strength of that you borrowed $185,000?—A. Yes.

Q. And then you leased it to the Canadian National Railways for 8½ per cent— —A. I borrowed from the Montreal Trust Company $185,000 with the distinct understanding that the rent was to be equal to 8½ per cent—

Q. Quite so.—A. —of which 6½ per cent would be applied to the interest on the loan and the balance amortization.

Q. Yes, and when the ten years were up a certain amount of the property would be amortized and it would still be your property?—A. Yes.

Q. Well, then, the Canadian National Railways is paying to that extent at least on the value of the property.—A. I told you a minute ago—it is no use repeating it to you—

The Chairman: Mr. Décary—

Mr. Duff: Let him finish, Mr. Chairman.

The Witness: We will know that only when the ten years are up. The property may not be worth the balance of the mortgage that is on it at that time.

By the Chairman:

Q. Mr. Décary, you conducted all the negotiations for the purchase of this property with either Beardmore or the Montreal Trust?—A. No, sir.

Q. They were all conducted by Sir Henry Thornton?—A. Yes, sir.

Q. Did he keep you in touch with the negotiations?—A. A couple of times he told me—

Q. Did he keep you in touch with the negotiations?—A. Well, he wanted to know if the price they were asking was reasonable or not.

Q. I did not ask you that, but, did he keep you in touch with the negotiations?—A. It is all here.

Q. And the time came when the price had been reduced to what you thought was a reasonable one?—A. Yes.

Q. And did you ascertain what the assessed value of the property was before you purchased the property?—A. Yes.

Q. And what was it?—A. $75,000.

Q. And you also knew that for several years Sir Henry Thornton had been occupying the property as a tenant either from year to year or from month to month at the rate of $600 a month?—A. Yes.

Q. And you knew what the revenue of the property had been?—A. Yes, that is what you call, as Sir Henry said,—

Q. Well, that is what it brought anyway?—A. Yes.

Q. You can call it distressed rent or anything you like, but the fact is it brought $600 a month?—A. Yes.

Q. Which is very far from being interest on $185,000. Now, you were asked to finance this property and you agreed to do so?—A. Yes.

Q. Without any thought of any reward on your part?—A. Absolutely.

Q. That is the story you want this Committee to believe?—A. Yes.

Q. All right, let us analyze that. You agree on the purchase price of $175,000 for the real property—the immovable property I think you call it in Quebec—and $10,000 for the movable property?—A. Yes.

Q. And you arranged with the Montreal Trust Company for the advancing of 100 per cent of the money required?—A. Yes.

Q. And you financed that, as I understand it, on the basis of two things, first, a mortgage on the immovable property. Did that include the movable property too?—A. Only the immovable.

Q. You don't give chattel mortgages in Quebec?—A. No.

Q. Well, that was on the immovables, and an assignment of the lease——A. No.

Q. Haven't they got an assignment of the lease yet?—A. No.

Q. The rent, therefore, is not payable to Mr. Séguin, it is payable to the Montreal Trust Company?—A. Yes.

Q. Well, you said a little while ago that the rents were payable to Mr. Séguin?—A. I said they are paid to Séguin and handed to the Montreal Trust Company. The Montreal Trust Company could exact that the rent be paid direct to them.

Q. As a matter of fact, that is the legal position, that the rent should be paid to them as the assignee of the lease?—A. Yes.

Q. And on the strength of your personal guarantee— —A. Yes.

Q. You gave a personal guarantee of the repayment of $185,000 with interest at 6½ per cent?—A. Yes.

Q. Well, have you got your guarantee here?—A. Yes.

Q. Let us look at it. It will speak for itself.—A. There it is, sir.

Q. Let us see what it does say, because I take it for granted that your personal obligation is worth something?—A. I suppose so.

Q. I hope so.—A. Here is the copy.

Q. Is it in the form of a deed?—A. No, it is the letter which I read you a minute ago.

Q. Oh, it is the letter of the 24th June, 1930, that you wrote to Mr. Donaldson?—A. That is all I have.

Q. Well, I am not sufficiently versed in the laws of the Province of Quebec, but I would have to have something more than that if it were in my company. I would want your bond. You did not give your bond but this, you say, is the binding obligation on you for the entire deal?—A. Yes.

Q. Yes, all right. Now, in addition to that, the Montreal Trust Company hold the insurance on the premises?—A. Yes.

Q. Issued, I presume, in the name of Mr. Séguin, as the owner of the property?—A. Yes.

Q. It is correct also, I understand, what Mr. Séguin said here yesterday, that he has no personal interest in the matter, that he is merely a trustee for you?—A. He acted on my instructions.

Q. He acted on your instructions, but is not the legal position in Quebec,—I don't know what you call it in your country?—A. He buys the property in his name.

Q. Under your instructions?—A. Under my instructions.

Q. For you?—A. For me, and I tell him I will hold him harmless.

Q. And you did not even take a declaration of trust from him?—A. No.

Q. Well, his position, then, under the common law is that he is a trustee for you, and I think you will agree with that?—A. Yes.

Q. Let it not be lost sight of that during all this time you were a director of the Canadian National Railways; during the entire period you were a Director of the Canadian National Railways?—A. Yes.

Q. And as such, you were a trustee for the people of Canada, or did that ever strike you?—A. It did.

Q. You were fully cognizant of the responsibility of directorship?—A. Yes.

Q. And you make a lease of these premises from your trustee—Mr. Séguin—for the Canadian National Railways, a copy of which is in our record?—A. Yes.

Q. And it is dated the 8th August, 1930, and it provides for a lease of the premises for a period of ten years from the first day of August, 1930, to the 31st day of July, 1940?—A. Yes.

Q. And the rental reserved by the lease is a sum equivalent to 8½ per cent on $185,000?—A. Exactly.

Q. Of which 6½ per cent is for the interest on the loan?—A. Yes.

Q. And the balance of 2 per cent is lodged with the Montreal Trust Company to accrue at compound interest?—A. No, no; it is not lodged with the Trust Company at all. It is paid to amortize.

Q. I know what you are driving at. Have you got the mortgage?—A. Sure.

Q. Let us see it; that will tell the story. By the way, what is the amount of insurance carried?—A. $150,000 of which $135,000 is on the building and $15,000 on the furniture.

By Mr. Duff:

Q. So if the house burned down to-night, Mr. Décary, you would be out the difference?—A. The land would be worth something.

Q. Yes, of course, the land would be worth something.

The CHAIRMAN: It ought to be.

Mr. DUFF: I don't want you to answer the question, Mr. Chairman. I wanted him to answer. Will you please keep quiet.

The CHAIRMAN: This is the mortgage dated the 8th August, 1930, passed before Notary Joran.

By Hon. Mr. Chaplin:

Q. Mr. Chairman, just while we are on that insurance matter, I would like to ask a question. Is it proper in the Province of Quebec to buy furniture for $10,000 and insure it for $15,000, and could you collect that insurance?—A. I might answer that by saying that when I took the property over the furniture was insured for $40,000 and I had it reduced to $15,000.

Q. You did not get all the furniture?—A. Well, what was taken out wasn't worth $25,000.

Q. They took away the poor stuff, did they, and left the good stuff with you?—A. Well, I wouldn't say that.

Hon. Mr. CHAPLIN: I only point out that the price paid for that furniture was $10,000, and I ask you as a lawyer whether you could collect $15,000 on it, if you had a buyer?

The CHAIRMAN: I would say if it was worth $15,000, I could; if it was not, I could not.

The WITNESS: But that has not anything to do with the railway, sir.

The CHAIRMAN: Let us get back to the mortgage.

Hon. Mr. CHAPLIN: It has something to do with the interest.

By the Chairman:

Q. Article 1 provides for the loan of $185,000: and article 2 provides that the interest on the loan until repayment shall be 6½ per cent; article 3 provides that the borrower shall repay said loan,—that means repayment of the principal?—A. Yes.

Q. To the lender on the first day of the month of August, 1940, and not sooner without the written consent of the lender, the full principal sum; and meantime to reduce the principal of the present loan by repayments of not less than 2 per cent of the amount of the present loan,—that means 2 per cent per annum?—A. Yes.

Q. That means $3,700 a year?—A. Yes.

Q. That means $37,000 in ten years?—A. Yes.

Q. You are familiar with this document. Was there no provision that you are to be allowed interest on the $3,700 payments to accrue during the ten year period?—A. No.

Q. Is there anything in this?—A. According to the terms of that loan, you are paying 6½ per cent, and the balance remains from time to time.

Q. The balance is remaining due?—A. Yes. If I pay it, I do not owe it.

Q. You may be quite correct. I do not understand it. This loan shall bear interest from this time until repayment at the rate of 6½ per centum per annum. Article 3, the borrower obliges himself to pay the loan to the lender on the 1st day of August, 1940 and not sooner, without the written consent of the lender, by repayment of not less than 2 per cent of the amount of the present loan, such repayment to be made to the lender half-yearly, whereof the first payment shall become due on the 1st day of February, 1931, with the interest payments, and until such repayment to pay the interest thereon to the lender half-yearly in the months of February and August each year, the first payment to become due in the month of February, 1931. Do I understand the effect of this, Mr. Décary, is that you are not allowed any interest on the 2 per cent payments?—A. No, I am not allowed interest; the interest decreases on the amount.

Q. In other words, that at the end of each year or each half-year there is a rest and your interest payment is reduced?—A. Yes.

Q. So that you are reaping an allowance at the rate of 6½ per cent on the payments made on the contract?—A. No, I am not.

Q. Then I do not understand it?—A. I will explain it to you, sir. On the first six months' interest is paid on $185,000 at 6½ per cent; on the second six months interest is paid on $183,150.

Q. It is paid on $185,000 less the half yearly payment?—A. Yes.

Q. Then who gets the difference?—A. Nobody. It accrues to the amortization.

Q. They get their money?

Hon. Mr. EULER: Ask him proper questions. You cannot bully the witness here and you may as well stop.

Mr. POWER: This is no Beauharnois inquiry, and you are no Peter White. If a row has to start, it can start, if you want it.

The CHAIRMAN: I can appreciate that you do not like it.

Mr. POWER: You be polite and we will not interfere.

The CHAIRMAN: I will be polite to the witness. If not, I will be glad to be stopped.

Mr. BEAUBIEN: This is not Mr. Fairweather. Do not try it again.

The CHAIRMAN: I do not know that that requires an answer. I will try and take care of myself.

Q. Just a minute, and we will start all over again. As I understand it, every half year the National Railways pay in a sum equal to 8½ per cent on $185,000?—A. Yes.

Q. No matter what was done with it?—A. Yes.

Q. During the whole period of ten years they pay in the sum, whatever it is, to the Montreal Trust Company?—A. Yes.

Q. But as each succeeding half year goes by there is appropriated to the service of the loan interest only on that portion of the loan which has not been repaid by the payments made out of the 2 per cent?—A. Do you want me to answer that?

Q. Yes.—A. The railway pays 8½ per cent a year. The full 8½ per cent goes to the Montreal Trust in accordance with the term of my letter to them. They apply the interest then due—they charge on that amount the amount of interest on the balance remaining due. The surplus they apply against capital.

Q. What surplus?—A. All the surplus according to the letter.

Q. Including interest on interest?—A. I do not know what you mean.

Q. Have you never heard of compound interest?—A. Yes, but I do not see where you say interest on interest, unless there is some interest which is due and you do not pay it. When you pay interest, you do not owe it.

Q. The principle of the sinking fund is that the interest accumulates and is credited periodically so that it builds up a much larger sum than simple interest?—A. Yes.

Mr. BEAUBIEN: Why not have some good lawyer ask the questions?

By the Chairman:

Q. At the end of the ten year period, has it been reckoned out actuarially what is the exact balance due on the $185,000, and if so what is it?—A. I have not figured it out myself. It can be figured out easily.

Q. It is an actuarial matter?—A. Yes, quite. I should think the balance would be about between $135,000 and $136,000.

Q. That is to say that the payments of 2 per cent made half-yearly on account of principal, with accretions, will amount to about $50,000?—A. About that.

Q. Roughly speaking, I think you are about right?—A. I think somebody said last night it would wipe out the whole debt.

Q. I do not think it would do anything like that?—A. I think it would wipe out about $50,000.

Q. It would depend entirely on the rate of interest allowed on the accretions, would it not?—A. Yes.

Q. And as a rule a company would not allow you 6½ per cent?—A. Yes, it is according to the terms of the document.

Q. Of your mortgage?—A. Yes.

Q. Of course I have not had time to read the mortgage all through?—A. That is what actually happens.

Q. That they are allowing you 6½ per cent?—A. Yes.

Hon. Mr. EULER: May I ask a question, Mr. Chairman?

The CHAIRMAN: Just a minute, until I get through.

Hon. Mr. EULER: Since you are examining the witness, I think it would be much better to have somebody else in the chair to protect the witness.

The CHAIRMAN: It is not called for. The witness does not need any protection, and he has not asked for any protection, and perhaps he would be glad to be saved from his party.

Hon. Mr. EULER: It is cross-examination by a chairman, and it is quite improper in my opinion.

The CHAIRMAN: I do not think so. I am in the judgment of the committee and of the public of this country too.

Hon. Mr. EULER: Are you going to speak for the public?

The CHAIRMAN: I am leaving myself in the judgment of the public.

The WITNESS: I am ready to answer all questions.

By the Chairman:

Q. Are you being treated unfairly by me, Mr. Décary?

Mr. POWER: Oh, oh.

By the Chairman:

Q. Because, if you are, I want to treat you fairly. You estimate, without a mathematical computation, that the accretions amount to about $50,000. Do those payments and accretions not result to the credit of E. R. Décary?—A. Those payments of $50,000 will make the cost of the property at the end of ten years, $135,000. If the property is worth more at that time, then the difference between the two will be a profit. If it is worth less than $135,000, there will be a loss.

Q. I agree with you entirely. We do not know what may happen, but you are willing to stake your own private credit and take this loan?—A. I did. I did give the option to buy it back.

Q. But as a matter of fact, as the transaction stands to-day, assuming the property is worth in ten years as much as it was when you bought it, there is a profit of $50,000 to E. R. Décary, is there not?—A. Provided that the property—if I can sell it for $185,000, I suppose I would make $50,000.

Q. I suppose there is no doubt about that. We are not in such disagreement as our friends down in the audience thought. Now I would like to call your attention to certain conditions in the lease:

> The present lease is so made subject to the following charges and conditions which are of the essence hereof and to the fulfilment whereof the lessee binds and obliges itself.

That verbiage is a little different from ours, but what I understand that to mean is that the conditions are of the essence of the contract?—A. Yes.

Q. "1. To pay the cost of this deed,"—That is the usual thing in Quebec?—A. Yes.

Q. The second is to pay taxes, etc.?—A. Yes.

Q. That is one of the annual carrying charges. And the third is:

> To execute all repairs of any nature whatever in the above described and presently leased premises and fire insurance premiums.

Those are the annual carrying charges too, and they are at the dictation of the landlord, are they not, in Quebec?

Mr. DUFF: I move that the rest of the committee adjourn.

Mr. MCGIBBON: I do not think it is very fair. Mr. Power demanded all the time he needed and he got it.

Mr. DUFF: Mr. Power is on the floor of the house. The Chairman has no right to have a conversation with the witness so that the rest of us cannot hear. He had better come down here and put somebody else in the Chair and do this in a proper manner.

The CHAIRMAN: I think the proceedings are quite proper.

Mr. DUFF: We never had it happen in this parliament before.

The CHAIRMAN: I saw Mr. Geary sit here as Chairman and ask any questions he wanted.

Mr. DUFF: He asked one or two questions after all the others were through.

Hon. Mr. EULER: We are not objecting to your asking them, but we ask that you come in your proper place.

The CHAIRMAN: I am not taking that course. I am here.

Hon. Mr. EULER: Is it your ruling, Mr. Chairman? I have no objection to your taking all the time you wish but I submit you should come down here as a member of the committee.

The CHAIRMAN: I think that is a matter of form and not of substance. I am staying here until the committee puts me out of it.

Q. We have dealt with the second condition of the lease, the carrying charges, taxes and insurance. The third is to execute all repairs of any nature whatever in the demised premises, and fire insurance premiums; and those are at the dictation of the landlord, are they not?—A. Well, the fire insurance premium would be for the insurable value of the property; you cannot expect anything else; you cannot expect more and you cannot expect less; so that the landlord is not free to do as he pleases with that.

Q. The landlord under your law—I am asking for information—could demand the National Railways to insure this to its full insurable value, whatever it may be?—A. Yes.

Q. And they have done so ?

Mr. BEAUBIEN: On a point of order, will you turn this way when asking the questions, and ask the witness to do the same when answering. It is a point of order.

The CHAIRMAN: That is very fair.

Mr. BEAUBIEN: We are as good looking as the witness.

By the Chairman:

Q. And with respect to the repairs, who has the right to order the repairs?—A. The law provides for that and says what repairs shall be done, that the house shall be kept in good order.

Q. That would be under your Civil Code?—A. Yes.

Q. You have not got it with you, I suppose?—A. No.

Q. Generally speaking, the landlord can order and insist on any necessary repairs?—A. All necessary repairs, yes.

Q. Then the fourth condition,

To comply with the conditions and stipulations relative to the use of the premises as set forth in the title deeds of the lessor—

Those, I understand, are the building restrictions, are they not?. Just look at it? —A. Yes, that is in the deed.

Q. And it is not very relevant to this inquiry?—A. No, but it is that it must be kept as a private residence.

Q. Then I call your attention to No. 5.

To leave and abandon the hereby leased premises at the expiration of the present lease in as good order and condition as they were at the time the lessee took possession thereof.

A. That is copied from the printed form of leases.

Q. It is there?—A. Yes, it is the usual clause.

Q. And there is not a word about wear and tear in the lease?—A. No, but the law would allow wear and tear.

Q. I am prepared to take your word on that?—A. Thank you.

Q. What are the annual carrying charges under that lease? You are the owner of the property?—A. There is $15,000 rental, the taxes,—

Q. What do they money out at?—A. I do not know that I have that. It is the railway that pays it.

Q. Do they not supply you with the receipts?—A. Yes, they do sometimes. $1,687.50,—

Q. What are those?—A. Taxes. I take that from the receipt on the file.

Q. And the rental is $15,725?—A. I forget, sir. The lease is right before you.

Q. Here it is,—$15,725?—A. Yes, $15,725.

Q. What are the fire insurance premiums?—A. For three years, $247.50, $87.50, $87.50 again, and $87.50—

Q. Again?—A. Yes, and again $87.50.

By Hon. Mr. Chaplin:

Q. Will you repeat those amounts?—A. We will give you the total.

The CHAIRMAN: $247.50, and four of $87.50, so far.

The WITNESS: $637.50, divided by three, that would be $212.50.

By the Chairman:

Q. What other carrying charges?—A. That is all I know of.

Q. What are the repairs annually?—A. Well the house is in perfect order.

Q. Now the question of the house agitated the late Board of Directors for a period months. We have been supplied with the minutes of both the Executive Committee and the Board of Directors from a certain date. The first reference is on the 17th of September, 1929, from the Executive Committee, of which you are a member?—A. Yes.

Q. On that date the Executive Committee passed a resolution:

Whereas in the opinion of the Executive Committee a suitable residence in Montreal for the Chairman and president of the company is essential for the proper conduct of the company's business, it was unanimously resolved that the Executive Committee should undertake to lease a suitable and properly equipped residence for the use of the Chairman and President of the company under such terms and conditions as the committee may subsequently deem proper.

You were a party to that resolution?—A. If I was present at the meeting. You cannot expect me to recall all meetings.

Q. Well you were a member of the executive?—A. Yes.

Q. And usually attended the meetings?—A. I attended every meeting unless I was out of town.

Q. As far as you recall you were present?—A. I must have been present.

Q. A week later the Board of Directors met and passed the following resolution: (September 23, 1929)

> Resolved that in the matter of the leasing of a suitable residence for the use of the Chairman and president of the company in Montreal, the resolution adopted by the Executive Committee in this respect at its meeting on September 17 is approved, and the Committee is hereby authorized to lease a suitable and properly equipped residence for the use of the Chairman and President of the company under such terms and conditions as the committee may subsequently deem proper.

Do you recall that?—A. I do not recall it but I must have been there.

Q. You are familiar with the terms of that resolution, you know about it. Now, I call your attention to the fact that on the very day that resolution of the Board of Directors was passed there was entered into by Sir Henry Thornton and the Canadian National Railways a contract, or at least it bears date the 23rd of September, 1929, referred to by Mr. Dunning in his evidence, Sir Henry Thornton's employment engagement was dated the very day that Directors' resolution was passed. You are familiar with this?—A. No, I have never seen it.

Q. I am going to read paragraph 3:

> Remuneration—The remuneration of the Managing Head for the full and entire services to be performed from time to time, and for the full period of employment under this agreement, shall be a fixed annual salary (irrespective of the magnitude or extent of the work or duties to be performed from time to time and without any extra fee or remuneration of any description) of $75,000 per annum,—

Now that is the Canadian National Railways contract. Were you not familiar with that?—A. No.

Q. Have you heard that for the first time to-day?—A. Yes.

Q. Did this agreement never come before the Board of Directors?—A. It did not have to come before the Board.

Q. I am in error as to the date. This is supplied by the Railway. The Government contract was on the 25th of October, 1929.—A. Well, that is an agreement made by the Canadian National Railways.

Q. But that would come before the Board of Directors wouldn't it?—A. That was signed by me as a director.

Q. Yes, I was coming to that in a moment. Now, you are very familiar with the terms of that agreement with Sir Henry?—A. I may be. I do not remember.

Q. Well, it is fair to say that at the time you executed it you were familiar with it?—A. I must have been at the time.

Q. Surely, or you would not have signed it?—A. Well, I have signed many things for the railway that they told me to sign as a director. They were bringing papers to me very often to be signed.

Q. Well this was a contract for Sir Henry Thornton's personal engagement, and you signed it on behalf of the Canadian National Railways?—A. I believe, sir, if you will allow me, if you will believe that I am telling the truth—

Q. I am not questioning it.—A. Therefore I tell you frankly that I do not remember this contract, but it is signed by me.

Q. You do not now remember the terms of that contract. I am quite prepared to accept that statement. But you would not say that at the time you

signed that contract you did not know what was in it, would you?—A. I would not be prepared to say either that I did or I did not.

Q. At this late stage you are not prepared to pledge your oath either way? —A. No.

Q. Is it not fair to assume that you did know then what was in it?—A. Fair to assume.

Q. All right. And on the very day you signed that contract you were negotiating to give Sir Henry Thornton a free house over and above his $75,000 per annum, notwithstanding that the paragraph in the contract provides that the payment of $75,000 shall be without any extra fee or remuneration of any description?—A. The Board was negotiating. Do not say "me".

Q. Well you are part of the Board?—A. Yes, sir.

Q. And you happened to sign the contracts as a director?—A. I want to tell you right here that when the question of a house for Sir Henry Thornton came up I was told,—I never saw Mr. Dunning personally during my term of office, but I was told that the Minister knew all that and had left the matter entirely in the hands of the directors to do as they pleased.

Q. Well it is only fair to Mr. Dunning to say that he was ill at the time and for weeks after. He gets his contract through the end of October, a month later. Who told you Mr. Dunning knew all about it? Did Sir Henry Thornton?—A. Yes it must have been Sir Henry, and at the time he made that statement the Deputy Minister of Railways was sitting around the table and did not contradict.

Q. And you accepted?—A. Absolutely.

Q. But the fact remains that the very day you signed a contract for Sir Henry Thornton's services at $75,000 per annum to be for full time and without any extra fees or remuneration of any description you were passing a resolution to give him a free house that is costing this country about $18,000 a year?—A. Well I don't remember. If that document was signed that day or the day before or the day after the meeting—

Q. Well there was a meeting we are informed, and there was a meeting on the 23rd of September?—A. I thought you said you had the minutes of that meeting before you and you were asserting that there was a meeting.

Q. I have what is certified as a copy of the minutes, put in evidence by Sir Henry Thornton himself and certified by Mr. Ormsby as a correct extract from the minutes? (Showing paper to witness).—A. I may and I may not have been present. If Mr. Ormsby will tell you I was present I will agree that I was.

Q. Well, the fact is that you signed the contract as of that date?—A. Well, that does not mean I signed it exactly on the 23rd of September.

Q. Well there is no question arising about a particular date. The fact is you did sign such a contract in the immediate vicinity of the time of that meeting?—A. Yes.

The CHAIRMAN: I think that is all.

By Mr. Duff:

Q. With regard to the amount of insurance on the property, $135,000, is that the full amount which you could obtain from the insurance companies according to the value of the property?—A. Yes, we could not obtain more than that.

Q. If the house burned down to-night and after the fire you could dispose of the lot for, say, $20,000 and you collected $135,000 insurance, making a total of $155,000, who would lose the $30,000 difference between that and the price you are responsible for for the property?—A. The Montreal Trust would exact it from me on my guarantee.

The CHAIRMAN: There is no doubt about that.

By Mr. Duff:

Q. Am I right in assuming that you figure this so-called 2 per cent is only a fair amount, spread over the ten years, for the risk you have of anything happening the property in the meantime?—A. I did not even figure it out that way. I thought the property would not be worth more than the balance of the mortgage at the end of ten years.

Q. Is it not quite possible also that even if the house does not burn down or something happen, that at the end of ten years the property might be worth a great deal less than the amount for which you are responsible?—A. Yes, it may be.

Q. A question was raised with regard to your notarial fees for work you did for the Canadian Northern Railway, McKenzie & Mann,—your firm, Décary, Barlow & Joran, not you, for the Canadian Northern, McKenzie & Mann and the Canadian National Railways; did you charge the same fees for any work you did as any other firm of notaries does in Montreal? In other words, is there a fee laid down under the law that all notaries must charge?—A. Absolutely.

Q. And you charged the same fees?—A. No more.

The CHAIRMAN: Was there any resolution put through after you were made a director legalizing the employment of your firm?

The WITNESS: No sir, it was just continued.

By Hon. Mr. Euler:

Q. I would like to clear up one point that is in my mind. There has been considerable discussion and criticism about the fact that Mr. Décary was getting 8½ per cent and was paying 6½ per cent, if we may put it that way, in other words there was a margin of 2 per cent which it has been suggested accrues as profit to Mr. Décary. He has stated that he had some doubt as to whether the property might be worth the full amount of the purchase price, $185,000, at the end of the ten years. I would like to ask him whether there was in his mind this thought, that by reason of use and the lapse of time a property would depreciate to the extent of 2 per cent per annum? I think it is not at all unfair to suggest, though I have no particular proof, that buildings will depreciate at least 2 per cent per annum, whether that two per cent of depreciation, or whatever it might be was covered by the clause in the agreement that the property was to be returned in the same condition as when it was taken over in the first place. My contention would be, or my thought, that while he might be under obligation to leave the property in as good condition as it was before, that does not imply that he would have to repair ordinary wear and tear or depreciation that comes from the lapse of time. I would ask whether he has in mind now or had then the idea that the two per cent would take care of that depreciation?—A. There is no doubt, everyone will admit, that even if you return the property in the same state as to-day, that is in good repair, it will be ten years older. In ten years from now I may be just as good a man as I am to-day, but I have got ten years less to live. Property is the same.

By Mr. Duff:

Q. Was your firm acting as notaries for the Canadian National Railway previous to 1921?—A. Yes, sir, we were acting for the Canadian National from its inception, and we were acting for the Canadian Northern from the time they started their work in Montreal, and we have been acting for the Canadian Pacific Railway, prior to my appointment to the Canadian National Railway and after my appointment to the Canadian National Railway.

Q. Is your firm still acting as notaries for the Canadian National?—A. Yes they are still acting.

By Mr. MacMillan:

Q. I would like to ask Mr. Décary if his firm or any member of it had anything whatever to do with the purchase of any property whatsoever in regard to the Montreal terminal project?—A. No.

The CHAIRMAN: Did you act as agents?—A. No, sir. The firm had nothing to do with it.

The CHAIRMAN: None of your firm?—A. I have personally directed for the railway the purchase through outside agents, but ever since I have been a director of the railway all property bought for the Canadian National was bought by outside agencies. We used to buy prior to my appointment, for the Canadian Northern, we have not since.

The CHAIRMAN: Were you on the Montreal bridge purchase?—A. No, sir. We do not do that kind of work, if that is what you mean.

Mr. MACMILLAN: I would like the witness to answer me, there is no need for him to carry on some conversation with you.

The CHAIRMAN: Well, I asked him a question.

By Mr. MacMillan:

Q. I would like to ask Mr. Décary what firms he directed. He says he directed certain firms.—A. I directed B. W. Ogilvie, for instance.

Q. Is that a real estate firm?—A. Yes.

Q. What do you mean by "directed"?—A. I was supposed, rightly or wrongly, to know something about real estate in Montreal. As a director I was not paid to work in buying real estate, but I was paid to advise. Mr. Clark was in charge of the buying.

Q. That is for the Canadian National Railway?—A. Yes. There was a real estate committee composed of Sir Henry Thornton, president, Gérard Ruel, chief solicitor, and E. R. Décary, to whom real estate purchases must be submitted, and as such real estate propositions were submitted to me.

When it came to buying real estate in Montreal I was asked my opinion as to who was the best man to handle the job. I appointed—or I did not appoint, I suggested John H. Hand—there was no political colour in that at all, John H. Hand is a Conservative.

Q. You suggested this gentleman as an agent to purchase property?—A. Yes. That is to say, the railway got five or six experts to do their work and help them in their work. The names suggested were John H. Hand, D. W. Ogilvie, Gaspard Archambault, Guy Ross and Mr. Desaulniers.

Q. In other words, you just recommended these people?—A. That is all.

Q. Were they all accepted?—A. Oh, yes.

Q. Was there anyone else that was recommended?—A. Oh, they may have employed other people, I do not know, I know they employed Ernest Pitt, for a while.

Q. You do not know who recommended him?—A. No, sir.

Q. Do you know the amount of property that these people were instrumental in having the railway purchase for the terminal, do you know the amount of money involved?—A. No.

The CHAIRMAN: Just one question. Did you have this property appraised before you bought it?—A. I appraised it myself.

Q. There was no independent appraisal?—A. I had Mr. Archibald go through the property and look it over for me and tell me the condition it was in.

Q. Who is he?—A. John S. Archibald is a reputed architect of Montreal in good standing.

Q. Connected with the Montreal terminals?—A. That hasn't anything to do with it.

Q. Well, he is the same gentleman?—A. Oh, yes, that is the same one.

The CHAIRMAN: Any questions of this gentleman?

Witness retired.

The CHAIRMAN: There is one short witness whom I would like to call in order that he may get away to-night, Mr. Knubley, of the Montreal Trust Company. I think his evidence will be very brief, because most of the evidence has been produced by Mr. Décary.

HENRY J. KNUBLEY, sworn.

By the Chairman:

Q. What is your address and occupation?—A. Manager, Montreal Trust Company, Montreal.

Q. Manager of the Montreal Trust Company?—A. Yes.

Q. Are you familiar with the loan made by the Montreal Trust Company to G. Henri Séguin?—A. Yes.

Q. Who negotiated the loan?—A. Well, the loan was really negotiated in the first place by Mr. Donaldson, as General Manager, to Mr. Décary.

Q. And were the details of the loan relayed to you?—A. No, they were not. Mr. Décary either telephoned or interviewed Mr. Donaldson and outlined the proposition to him, and Mr. Donaldson told him or asked him to kindly put it in writing, which Mr. Décary did.

Q. Have you the writing with you?—A. The writing is the same writing that Mr. Décary produced.

Q. That is, the letter he wrote, the copy of it. You have the original?—A. We have the original.

Q. All right, go ahead. If you give it to us we will put it in the Minutes and return it to you.—A. I have only a copy of it here.

Q. You swear it is a copy?—A. I do.

Q. The 24th of June, 1930?—A. Yes, the 24th of June, 1930.

THE TITLE GUARANTEE AND TRUST CORPORATION OF CANADA

134 St. James Street West,
MONTREAL, June 24, 1930.

F. G. DONALDSON, ESQ.,
General Manager,
Montreal Trust Company,
Montreal.

DEAR MR. DONALDSON,—Referring to our conversation of the other day in connection with the Beardmore property on Pine Avenue, I, or my nominee subject to my personal guarantee, will purchase the above property for $185,000 cash, the property subsequently to be rented to the Canadian National Railways for ten years, at a price representing 8½ per cent per year, net, outside of taxes of any kind, repairs, and improvements.

You will make a loan for this amount of $185,000 for ten years, at 6½ per cent, the difference between the amount of interest paid and 8½ per cent to be applied as a sinking fund on the amount of the loan. Your Company will be given a first Mortgage on the property and an absolute transfer of the Canadian National lease as guarantee for the loan.

We should be in a position to complete this transaction during the first few days of the month of July. Will you please advise if this is convenient to you, and oblige.

Yours truly,

(Signed) E. R. DÉCARY,
President.

ERD:BMR.

Q. That is the letter and it outlines the terms. It is what you call his obligation for the loan you made?—A. Yes.

Q. And outlining the terms?—A. Outlining the terms, absolutely.

Q. Now, Mr. Décary told us that this also constituted a guarantee on his part to repay the principal and interest. Do you so consider it?—A. We consider it a personal guarantee of his.

Q. Under Quebec law?—A. Whether it is in proper legal form or not and binding on his estate—

Q. You are not a lawyer yourself?—A. No, I am not a lawyer myself.

Q. But at all events, you have this document from him and you look upon it as a personal guarantee of the loan?—A. Absolutely.

Q. Was that a factor in making the loan?—A. Yes. There were two factors in making the loan—Mr. Décary's personal guarantee, as well as the assignment of the lease to the Canadian National Railways which was given as additional collateral security.

Q. And those were the main factors?—A. Those were the main factors.

Q. Did you have an appraisal made of the property?—A. No, we did not have an appraisal made. We were satisfied to make the loan subject to that guarantee and subject to the assignment of the lease.

Q. I wish I could borrow money as easily as that. But those were the only factors, or the main factors?—A. Those were all the factors.

Q. Now, to whom will accrue the proceeds of the 2 per cent which are included in the rental that you have heard discussed here this afternoon?—A. The 2 per cent, or the percentage over and above the interest goes in reduction of the principal on the loan thereby reducing the amount owing to us at the end of the ten years.

Q. And at the end of each six months' period, I presume—.—A. At the end of each six months' period as we receive those payments of interest, the interest is calculated and so much is applied on account of the interest and the balance is applied in reduction of principal.

Q. And the interest on the next payment is on the reduced principal?—A. Absolutely.

Q. And so on?—A. And so on.

Q. Have you calculated in any way what that will amount to at the end of the ten-year period?—A. Approximately $50,000. Now, that calculation was made just yesterday after I received your telegram. It has not been checked.

Q. But it is approximately correct?—A. It is approximately correct.

Q. And it accrues to Mr. Décary's benefit, for whatever it is worth?—A. Well, it accrues, so far as they are concerned, to all of them, and on our receiving that balance at the end of the ten years we give a discharge.

Q. To whoever owns the property?—A. To whoever owns the property.

Q. If Mr. Décary is the owner, it accrues to him?—A. It accrues to Mr. Séguin, as far as we are concerned.

Q. You have heard the evidence here that Mr. Séguin is merely a trustee for Mr. Décary?—A. Yes.

Q. And the letter of the 24th June would bear that out, that Mr. Décary is the principal and not Mr. Séguin?—A. Well, he gave his personal guarantee. I think it states in that letter that it will be he or his nominee.

Q. And it was immaterial to you because you were doing it on the strength of the guarantee and the National Railway lease?—A. Yes.

Q. Would you have done this at all had it not been for the National Railway lease?—A. We would not have done it at all if we had not received the guarantee and the assignment of the lease.

By Mr. Duff:

Q. You only have security, as far as fire insurance is concerned, of $135,000? —A. Yes.

Q. If the house burned down to-night, under those policies you could only collect $135,000?—A. That is right.

Q. And if the land could be sold for, say, $20,000, whom would you collect the balance of $35,000 from? Whom would you hold responsible?—A. We would hold Mr. Séguin, in the first place, responsible, and failing him meeting the obligation we would call on Mr. Décary.

By Hon. Mr. Euler:

Q. You have given an opinion. Would you have made the loan to the full extent, if Mr. Décary had not been guarantor?—A. If we had got a clear guarantee?

Q. No, would you have made the loan with only the lease as a guarantee?— A. I do not know, but I do not think we would have been inclined to.

Q. You regard the guarantee which Mr. Décary gave as of considerable value? —A. Absolutely.

Q. Relieving you from considerable risk?—A. Absolutely.

By Mr. Munn:

Q. May I ask one question. Can you give an opinion as to whether property in Montreal has gone down in value during this depression?—A. I am not a real estate expert, but naturally I feel the values of property have shrunk the same as the value of securities, not probably to the same extent but to some extent. There is not the demand for properties to-day, so that you cannot get so good a price as you ordinarily would.

Q. My advice is that properties in Montreal as well as in other parts of the country have gone down a good deal in value. If that is so, and I think you will admit that is so in any part of Canada, then Mr. Décary in being guarantor to you would be quite important if the present conditions lasted for any length of time?—A. He is assuming the risk, all right. It is problematical what the property will be worth in ten years' time.

Q. Under the present conditions there is a good deal of depreciation in the value of property in Montreal, is there not?—A. Yes, it is very difficult to sell big houses especially.

By Mr. Duff:

Q. Mr. Knubley, with your knowledge of Montreal citizens would you think there would be many purchasers at the end of ten years for a property costing $185,000?—A. I would not like to guess on that. That is beyond me.

Q. What is your opinion, as far as you know?—A. It all depends upon how conditions are in ten years' time, I would say.

By the Chairman:

Q. Is not this the truth, that there is always a market for this expensive property, but it is a very limited market, so far as compared with less expensive property?

Mr. DUFF: There is a very limited market.

By Mr. MacMillan:

Q. I would like to ask the witness if his company ever discussed this purchase of this house property with Sir Henry Thornton before you took it?—A. No, sir, we did not.

Q. Is Sir Henry a director of your company?—A. Yes.

Q. When did he become a director?—A. 4th April, 1930.

Sir HENRY THORNTON: I would like, Mr. Chairman, to make a personal statement there. I intended to make it when the proceedings opened this afternoon but overlooked it. I was asked by Mr. MacMillan if I was a director at the time this transaction was completed or carried through by the Montreal Trust Company. I told him no I was not. I answered to the best of my memory, and I hope you will all feel that I told the truth to the best of my ability; but I have found out since that I was, and I would ask that you accept that assurance. I was, at the time.

By the Chairman:

Q. This is a deed, which Mr. Décary produced, to George Henry Séguin, and that document also contains the assignment of the lease?—A. Yes.

Mr. MUNN: I would like to ask, do you suppose Mr. Décary could get anyone to step in and assume his obligation?

The CHAIRMAN: I would not ask that, that is a matter of opinion.

Mr. MUNN: Well take conditions as they are to-day, the chances are, if he had to do that, it would cost him $25,000 or $30,000.

The CHAIRMAN: That is not evidence.

The WITNESS: I cannot say whether anyone would assume his obligation to-day.

Mr. MUNN: I do not think anyone would be anxious to.

The CHAIRMAN: That is a matter of opinion. Any other question?

Mr. GEARY: I would like to ask one question. Has he any other loan arranged for similar to this, practically on a personal guarantee, with a mortgage as collateral and transfer of lease as collateral?

The WITNESS: Not that I can recollect, not with an assignment of lease and personal guarantee.

Mr. GEARY: You did not yourself pass upon the sufficiency of the security in this case?—A. No, it was passed upon by our general manager.

The CHAIRMAN: Any other questions? If not we will adjourn.

Committee adjourned to meet again on Tuesday, May 10, 1932, at 11 a.m.

HOUSE OF COMMONS, ROOM 231,

MAY 10, 1932.

The Select Standing Committee on Railways and Shipping met at 11 a.m. Mr. Hanson, presiding.

The CHAIRMAN: Mr. Chaplin has a small motion relating to the copy of a document.

Hon. Mr. CHAPLIN: I beg to move:

> That the amount of $10 claimed by Mr. G. Henri Séguin of Montreal for sending a copy of the deed of sale in connection with the Montreal house purchase, requested by the Chairman on May 3 and received on May 7, be paid.

I admit I think the price a little high, but I do not see what can be done when we ask for something and do not ask the price we have to pay for it.

The CHAIRMAN: It is according to a scale, is it not?

Mr. POWER: I do not think it is unduly high for a document of that importance.

Hon. Mr. CHAPLIN: Of course, we may expect Mr. Power to defend it.

The CHAIRMAN: Gentleman, we have a good deal of business to do in this committee. There have been a great many enquiries made, and I understand that most of them are ready for delivery, or in the course of preparation; but, over and above all that, I hope the committee will not lose sight of the fact that we passed here without any discussion or consideration an estimate of sixty-one and one-half million dollars and I hope the committee will get down to that estimate as soon as possible. After all, that is the most important function of this committee. In the meantime, we might dispose of some other matters that are now standing before the committee, but I would like the committee to get back as soon as possible to the consideration of that very important matter.

Hon. Mr. CHAPLIN: Some ten days ago I asked for the expense account of Mr. J. Gill Gardner for two years. It does not seem to me that it should take this length of time to get that expense account.

The CHAIRMAN: Sir Henry says that it will be ready to-morrow morning.

Mr. MACMILLAN: Arising out of the evidence before the committee on the 27th of April I noticed that at a meeting of the board of directors held on the 23rd of September, 1929, there is said to have passed a resolution which was embodied in the Executive Committee's meeting on the 17th of September, 1929. I will read the minutes of the meeting of the Executive Committee of the directors held on March 24, 1930. The minutes read as follows:—

> The president then left the meeting and reference was made to the resolution of the directors passed on September 23, 1929, regarding the provision of an official residence for the president and to the unsuccessful efforts made to secure one.
>
> It was decided that in order to carry out the intention of the directors as from the date of such resolution an adjustment should, when the residence was purchased, be made with the president in respect of rental, as of the date of his present contract.

Now, the resolution of the board of directors here referred to has nothing in it at all in regard to any retroactive feature, and I would like to ask the Chairman if the president received money in lieu of rent dating back from the meeting of the board of directors on the 23rd day of September, 1929, up to the time that the house was secured by lease?

Sir HENRY THORNTON: As Mr. MacMillan states, when that matter came up I left the room and left it in the hands of the directors, and it was their opinion that it was the intention that the provision of a house should date as from the date of the first resolution—I forget exactly the date—and that I should be compensated for whatever rental I paid in the meantime.

Mr. MACMILLAN: Will you tell me what the amount of money was?

Sir HENRY THORNTON: I could not tell you offhand, but I could get it very easily.

Mr. MACMILLAN: Then, let me read the resolution of the board of directors of September 23, 1929:—

> Resolved that in the matter of the leasing of a suitable residence for the use of the chairman and president of the company in Montreal, the resolution adopted by the Executive Committee in this respect at its meeting on September 17, is approved, and the committee is hereby authorized to lease a suitable and properly equipped residence for the use of the chairman and president of the company under such terms and conditions as the committee may subsequently deem proper.

Now, that was a resolution of the board of directors which the Executive Committee subsequently referred to, and there is nothing in that resolution, in my mind, which permits the Executive Committee to make that retroactive bonus on the 23rd day of September until the date of the Canadian National Railway's leasing the house to the president. I do not see how you can read that in it.

Sir HENRY THORNTON: In reply to that I can say that I had nothing to do with that. I left the meeting,—left it in the hands of the board because I did not want to be there, and that is what they considered the proper thing to do. It was the intention that the house should be provided as of the date of the original resolution. That is all I know about it. Now, I can give you the facts and I will to-morrow.

Mr. MACMILLAN: That was an extra $6,000?

Sir HENRY THORNTON: I cannot recall. I would have to look up the figures.

Mr. MACMILLAN: I must register a protest. I do not think the people send me here to permit any such hidden methods as this of receiving an extra emolument or salary or grant from the railway.

The CHAIRMAN: Sir Henry Thornton has said that the vote and resolution speaks for itself.

Mr. MACMILLAN: There is nothing in the minutes of the directors' meeting to confirm what they did, in my judgment.

The CHAIRMAN: That is, to make the lease retroactive? I do not think there is. But they have done it. That is the fact.

Mr. BEAUBIEN: Some few days ago I asked for information with regard to improvements made to the Chateau Laurier, and the amount of rent paid and the number of rooms.

Sir HENRY THORNTON: I can have that to-morrow.

Hon. Mr. MANION: Since the matter of the Chateu Laurier improvements has come up it is better that I put on record now a letter which I had from Sir Henry Thornton dated January 2, 1931. May I preface this letter by saying

that there had been a discussion between Sir Henry and myself about the alterations in the Chateau Laurier because we were tying up practically all capital expenditures that we could tie up, and Sir Henry wrote this letter.

Mr. BEAUBIEN: Why not have it all come at once?

Hon. Mr. MANION: Because I choose to present this now, since my friend mentions it. My honourable friends may laugh, but I do not think any preliminary supposition should go out as to the facts, and I am simply placing Sir Henry's letter on the record. I am sure that you will agree to that. The letter was written to me for that purpose if there were any questions asked.

Mr. POWER: I have no doubt that all the facts are contained in the letter.

Hon. Mr. MANION: You can ask Sir Henry about that; he wrote the letter. I will read it:—

Copy

CANADIAN NATIONAL RAILWAYS

MONTREAL, QUE., January 2, 1931.

DEAR DR. MANION,—With respect to the quarters which are being arranged for the Prime Minister at the Chateau Laurier, I wish to make it quite clear that the administration of the railway in general and myself in particular assume entire responsibility. Some eight or ten months ago I happened to be in the rooms of the Honourable the Leader of the Opposition (now the Prime Minister) and said I thought a more suitable suite should be provided. The rooms occupied were not bad, but they were hardly consistent with what I thought should be furnished so important a personage. For some reason or other it was overlooked.

Shortly after the last election, I heard that the Prime Minister was considering building a house in Ottawa. Naturally we did not want to lose so important a guest, and out of that there grew the thought that we could quite justifiably arrange quarters for him at the Chateau which would measurably meet the facilities of a house. Accordingly, I had a plan prepared, representing what I thought should be done. After considerable delay this plan was eventually approved.

I cannot see that anyone can criticize the railway company for providing suitable apartments for the Prime Minister of the country providing he pays a proper rate for the use of that accommodation. It is purely a business arrangement, as it means a good deal to have the Prime Minister living in the Chateau Laurier; it lends prestige to the hotel, and indirectly brings to us considerable revenue. Should he ever decide to go elsewhere, there would not be any trouble in renting the space to some one of the foreign diplomats located in Ottawa, or to others. In other words, the accommodation would in no sense be wasted.

Yours sincerely,

(Sgd.) H. W. THORNTON.

The Hon. R. J. Manion, M.D., M.P.,
Minister of Railways and Canals,
Ottawa, Ont.

May I just add to that that the Prime Minister telephoned to me this morning and he said he heard this matter was going to be brought in and that if it was going to be discussed he would like to be called.

Mr. BEAUBIEN: I was not asking for any discussion. I simply made a statement when I asked the question, that there were rumours and it would be just as well to have the facts on record because I did not think the rumours would be well founded. I do not think the Minister should think I had any ulterior motive. I think the Chairman will justify what I have said.

The CHAIRMAN: Don't call me for a witness in your behalf, please.

Mr. POWER: You are having the discussion before we have the facts.

Mr. MCGIBBON: I have had a motion before this committee for ten days.

The CHAIRMAN: I think there is a motion. The clerk can correct me if I am wrong. As you are aware a small subcommittee was appointed to proceed to Montreal to ascertain certain facts in connection with expense accounts of the officials. That sub-committee I understand did go to Montreal and has now returned and it has presented a memorandum to this committee dated the 20th of April, which was addressed to Mr. McLaren, the comptroller of the Canadian National Railways, asking that he present to this committee, as I understand it, certain specific information and accounts. Sir Henry Thornton has authorized me to say that he does not consider it in the interest of the railways that these accounts should be presented and that he objects to the production of these accounts.

The matter will have to be determined by this Committee, apparently, one way or the other. It is not a matter that the Chairman should be called upon to give any decision on at all; but while I am on my feet I desire to say this, merely for the guidance of the Committee. Last year it developed that a sum of nearly $2,000,000 was in the accounts for the year 1930 for the travelling and entertainment expenses of the executive officers and officials generally of the Canadian National Railways. I think that is a fair statement. It further has developed, that in the year 1931 the amount of that expenditure had been reduced by $300,000.

Mr. DUFF: Quite natural under the circumstances.

The CHAIRMAN: Well, it is the fact, anyway, whatever the reasons may be and I am not giving any reasons at all.

Mr. MACMILLAN: Is it $300,000 or $700,000?

The CHAIRMAN: I understood it was $300,000 less for 1931-32.

Mr. FAIRWEATHER: $366,000.

The CHAIRMAN: Mr. Fairweather informs me it was $366,000, and, according to a statement made in this Committee—I think by Dr. MacGibbon—that on the basis of this year's operations if they go on in the same ratio of expenditure that they have for the first few months of the year, the reduction will be a reduction of at least three quarters of a million dollars. Furthermore, it has been stated to this Committee, that a new system of audit has been established either by the Board of Directors or by the Executive of the Board of Directors to take care of this very matter and, in view of all that, I suggest to the Committee that this matter can be very well left to the Executive of the Board of Directors with instructions to pursue the matter so that the whole item of expenditure may be put on a proper footing. I don't know that I have anything more to say.

Hon. Mr. EULER: I am very glad you have made the suggestion that you do make, not because it was a proper course of action, but because I believed it was in the interests of the railways themselves. As a matter of fact, it seems to me that the principle was decided at almost our very first meeting when a motion was made by one of the members of the Committee that copies of the expense account be produced for the information of the Committee. At that time I asked a member of the Executive Committee of the present Board of Directors, Mr. Boys, whether he thought it was in the interest of the railways

that that information should be disclosed. He said no. He was supported in that by the President of the Canadian National Railways and the matter came to a vote, and a motion was carried that that information be not given in that way.

It seems to me that then the matter was settled as a matter of principle, but it was again later reopened, and a sub-committee was appointed.

I want to make it clear once more—and I think members of the Committee will believe me when I say—that I am not in favour of suppressing any information that might be in the interest of the public, or of the railways, that it should become public; but I cannot for the life of me see why this information on a matter that, in some respects, I think, is trivial and in others maybe more or less important, should be discussed in this Committee.

Mr. KENNEDY: How do you know it is trivial if you have not got it?

Hon. Mr. EULER: I happen to know something about it and I happen to know some of the charges that have been made here have been rather trivial.

My contention always has been that in a matter of this kind, or in matters of this kind which are contentious in a way, they should be left to the Board of Directors, or to a Committee of the Board of Directors. I was going to say that the present Board of Directors which, I think, should have the confidence of the majority of the members of this Committee, and, I will say, has the reasonable confidence of myself, and perhaps the members sitting on this side, although there is no particular significance in sitting on one side or the other. That is, we have confidence in that Committee, and also knowing that the present Board of Directors has formed a sub-committee which is charged with the definite work of reviewing expense accounts, and those accounts cannot be accepted and paid without the approval of that Committee; why, then should we in this body try to duplicate work or anticipate work that is being properly done by that Committee? I would ask what good can be done. If any good purpose can be served, so far as I am personally concerned, I would support it; but I cannot see that anything but harm can be done.

I am not going to question the sincerity of those who are making inquiries and criticisms, but I do believe that much of what has taken place in this Committee has resulted, intentionally or not, in destroying a certain measure of confidence in the Canadian National Railways and its officials, and I say that the kind of injury that has been done is infinitely greater than any small injury that might result by transferring this work of investigation and dealing with the question to the proper authority, namely, the Board of Directors of the Canadian National Railways; and, believing that, Mr. Chairman, I am going to make a motion, so that we might as well have the matter settled one way or the other.

The CHAIRMAN: There is a motion, Mr. Euler.

Hon. Mr. EULER: I will make an amendment then.

The CHAIRMAN: Dr. McGibbon moved, as I understand it, that the specific information referred to in his memorandum dated the 20th April—

Hon. Mr. EULER: There is a motion then?

Mr. STEWART: What page?

The CHAIRMAN: Page 217.

Mr. POWER: I don't think it was formally put.

The CHAIRMAN: I quite agree. I never put the motion.

Mr. DUFF: Will you be good enough to read it, Mr. Chairman?

The CHAIRMAN: Apparently it is not in the minutes.

Mr. GRAY: It was not in the form of a motion, Mr. Chairman.

Mr. MCGIBBON: I don't intend to sit here and have you tell me what I did. I moved it.

Mr. GRAY: Well, the records ought to show.

Mr. MCGIBBON: I think I have a right to speak. Mr. Euler can take whatever stand he wishes, but he is not going to dictate to me what stand I am going to take. He is not the tax payers of this country. You decided this matter and appointed a sub-committee of three to look into it. We looked into it. We asked for vouchers in order that the matter may be submitted to this Committee. Mr. Euler has referred to certain improvements that have taken place. I will grant you they have taken place, but they did not take place until January of this year and they would not have taken place at all if it had not been for the work done by this Committee last year. And we have saved this country millions of dollars,—no getting away from that.

Now, Mr. Chairman, I am just going to tell you a little bit of what we found.

Hon. Mr. EULER: Wait—

Mr. MCGIBBON: No, I won't wait. We went down there and found there had been practically no check on the higher officials at all. I don't want it to come out, and it makes it rather difficult to speak on this matter, but all the officials of the Canadian National Railways—

Hon. Mr. CHAPLIN: If there is anything that should be said only to the Committee, Mr. Chairman, you should clear the room of everyone but the Committee.

Hon. Mr. EULER: On a point of order, if I may—

The CHAIRMAN: Wait. There was a formal motion put to the chair, and I suggest to Dr. McGibbon that it would be advisable for him to make his report at a later stage. Let us decide the principle involved now before the chair, if you please.

Hon. Mr. EULER: I am trying to find out whether I should move an original motion or an amendment.

The CHAIRMAN: I am trying to assist you, Mr. Euler.

Hon. Mr. EULER: I think we should establish that first, Mr. Chairman.

The CHAIRMAN: I cannot find that there was any formal motion put. I suggest to Dr. McGibbon that he put his position in the form of a motion, that the information referred to in his memorandum dated the 20th April, 1922, signed by himself and Mr. MacMillan, be disclosed to this Committee by the officials. That would be the formal position before the chair, and then it would be in order to make an amendment.

Hon. Mr. EULER: I take it from that, then, that there is no motion.

The CHAIRMAN: I cannot find any motion in the minutes. The clerk says there is none. I think Dr. McGibbon ought to have the opportunity of making a formal motion, if he so desires.

Mr. KENNEDY: Dr. McGibbon was pressing for a vote on his motion just about the time we adjourned last day.

Hon. Mr. EULER: If he desires to make his motion I am quite content to submit an amendment, but I very much question; it may have been his intention to submit a motion, but I am quite sure it was never recognized that a motion had been submitted.

Mr. MCGIBBON: I don't like to monopolize the time, Mr. Chairman, but I put in your hands a signed document, and asked that that information be supplied.

The CHAIRMAN: Well, there is no formal motion before the chair. Will you make that now?

Mr. McGibbon: I make the motion now, that the information asked for in that document be presented to this Committee.

Montreal, April 20, 1932.

Memorandum for Mr. J. B. McLaren, Comptroller, Canadian National Railways

Confirming verbal request made as a result of a partial examination of headquarters' expense accounts we would ask you to furnish the Sub-Committee enquiring into the same with the following:—

(*a*) Copies of expense vouchers, and supporting statements showing the itemized amounts, for the years 1930 and 1931 for the officials enumerated below. The name of the official might be left off, so long as the voucher is keyed to the letter designation placed opposite each name. The receipts attached to the voucher need not be copied but where these occur, the letter "V" might be shown opposite the corresponding item to indicate that a voucher was filed to support the expenditure. In the case of officials not required to submit receipts, a notation to such effect might be made on the account.

A.—Col. Hiam,
B.—Dr. McCombe,
C.—W. D. Robb,
D.—G. A. Gaston,
E.—C. W. Johnston,
F.—W. S. Thompson,
G.—G. H. Lash,
H.—C. F. Goldthwaite,
K.—A. J. Hills,
J.—R. B. Teakle,
K.—P. M. Butler.

Also, from other regions:—

L.—C. G. Bowker,
M.—W. J. Barker,
N.—C. J. Smith.

We also would like to receive a statement showing for the years 1930 and 1931 the amounts, not included in the expense accounts of officials, expended for the operation of private and business care while in the service of such officers, including provisions drawn from stores. The expenses of the President in this connection should be stated separately.

It is desired also to have furnished copies of the monthly statements of disbursements in the years 1930 and 1931 from the so-called Hobbs & Shaw Trust Account, showing for each item of $25 or over the destination and purpose of the payment, briefly stated. It may be that you will have to refer this request to Mr. Hobbs in whose custody the accounts appear to be.

It will be appreciated if the copies of vouchers for those at headquarters are furnished as soon as possible, following later with those referred to from other regions.

(Sgd.) F. R. MacMillan.
(Sgd.) Peter McGibbon.

The Chairman: Now, Mr. Euler?

Hon. Mr. Euler: I move, in amendment, seconded by Mr. Duff:—

Whereas with the limited time at their disposal, and after an investigation of only a few hours, two members of a sub-committee, namely, Messrs. McGibbon and MacMillan, would not be able to obtain such complete information as will enable them to present a true picture of the situation which these gentlemen have under review, involving as it does the examination of disbursements approximating $1,900,000 covering the travelling expenses of 3,500 persons distributed amongst 43,000 accounts;

Whereas the recognized custom of large corporations is to deal with matters of administrative details, such as expense accounts, through duly constituted boards or sub-committees thereof, who enjoy the confidence of the shareholders;

Whereas the Board of Directors and the management of the Canadian National Railways are fully empowered, and can most effectively deal with such matters;

Whereas a sub-committee of the executive of the Board of Directors of the Canadian National Railways is at the present time inquiring into matters similar to that to which the attention of Messrs. McGibbon and MacMillan has been directed;

Whereas this committee is of opinion that the isolation and presentation to the public of the expense accounts of approximately ten or twelve officials and their ex parte analysis will only serve to impair the morale of the Canadian National organization, and prejudicially affect the efficiency of the Canadian National Railways system itself.

Resolved, that any report of Messrs. McGibbon and MacMillan be submitted to the Executive Committee of the Board of Directors of the Canadian National Railways for its information and such action as may be thought fit and proper in the circumstances.

The CHAIRMAN: Gentlemen, the question is on the amendment. Does anybody desire to speak on the motion?

Mr. MCGIBBON: Yes, Mr. Chairman. This is rather a new departure in parliamentary government if members of the House of Commons are denied information from employees or officials of the government.

Now, it is all nonsense to say the Board of Directors meeting once a month or once every two weeks can look into these things. If you take the thing to them they tell you they cannot do it, that is all. They meet once a month; there is an agenda placed before them, and by the time they get through that agenda the day is done. I have talked to them and they tell me it is practically impossible for them to go into these things.

As a practising surgeon for the last thirty years I have learned that when you find a man with a serious disease you have got to have courage to cut and cut deep sometimes to save the patient. I cannot get away from that principle. Now, this thing has been existing for years. Last year was the first year we got any information, and I say it without any hesitation there is some startling information disclosed. I think this country has a right, this Committee have a right, I have a right—and I refuse to surrender my right to Mr. Euler or anybody else—

Hon. Mr. EULER: I am not asking you to surrender anything. You have your view and I have mine.

Mr. MCGIBBON: It is my right to get this information. You sent us down there to get this information. Now, what is the matter with it? Don't you want it, or do you want it?

Mr. GRAY: Make your report, then.

Mr. MCGIBBON: When I make my report I want something to prove and that is what I want this information for. And I say, Mr. Chairman, we have a right to it, and this Committee is not doing the public any good by smothering it, you are doing it harm. A frank free statement of affairs of these railways is what the people of this country want and they are going to have it, don't make any mistake about that. I submit, Mr. Chairman, this Committee have a right to that information. I do not claim any special privilege, and I don't think Mr. MacMillan does. We got this information. We went after it for the Committee, and we want it for the Committee and then the Committee can decide what

they want to do with it. But it is absolutely inconsistent, there is no rationality in it; they send us down there to get information and then refuse to receive it from us. What rationality is there in that?

And I might say this, Mr. Chairman, if this thing had been investigated four or five years ago, in my opinion, this country would have saved a lot of money. The Canadian National Railways, at the top, are just simply run wild. I do not want to be accused of reflecting on any official. They have a lot of fine officials; practically all of them are good conscientious officials, but it is the system that I am protesting against. It is very difficult to make reports, very difficult to show something without being considered as casting a reflection on someone, but I say what I am trying to get at is the system which, in the past, has been simply awful.

I am glad to say that this year I am informed there has been considerable improvement, and I have no doubt in my mind at all that from the ventilation that was given to this matter last year in Committee, and by close scrutiny and analysis and check of this system it is the only way you are going to save those National Railways. I supported taking those roads over and I want to see them prosper. I believe that they are going to be a great instrument in the development of this country, an instrument that a private institution could not possibly be, but the way it has been conducted in the past, why that is a different thing. Honesty is a great thing, a great principle, and an open display of the facts will get you farther with the public than anything else.

Now, then, don't receive this information; it doesn't matter to me if you don't want it, that is your privilege. You can take the responsibility of smothering it to the public, but representing the taxpayers of this country, I say they have a right to know how things are being conducted. That railway has cost this country a lot of money and is going to cost us a lot more money. You have to have at least an operating profit of ten per cent more than you ever had in order to pay the interest on the bonds that you owe the public.

What Mr. MacMillan and I want is to get all these accounts in order to illustrate the system which has been in vogue in the past. If you people don't want this information, all well and good, but I have got it and I purpose using it.

Hon. Mr. CHAPLIN: Last year, you will remember, we were in exactly the same situation. Certain questions had been asked in the House of Commons in respect to certain matters connected with the Canadian National Railways, and we were told by the Minister that it was not in the interest of the railway that this information should be given, and we were told by Mr. Euler to-day that you were going to destroy the morality, the morals of the railway, by giving this information. Let me tell you, Mr. Chairman, the morality of this railway in a great many respects, is already destroyed. They have destroyed it themselves, that is what has destroyed it, and if the Committee are to be blamed for bringing out the truth then this talk about the morals being destroyed—

Hon. Mr. EULER: I did not say morals, Mr. Chaplin.

Hon. Mr. CHAPLIN: Well, Mr. Chairman, you know very well that from the very inception last year we were told that this information should not be given. The information has partly come out. Part of this information in respect to this $1,900,000 account was brought out. We all knew that the great majority of that account was all right, but there were things in there that they did not want disclosed.

What I do want to get out of that account is this: I hear that certain individuals have been allowed the privilege of passing in accounts to be paid for meals in clubs. Those accounts were in there and they could not be got at unless the facts were disclosed.

It would take some time to get it, no doubt, but it would have been a good thing for the railroad company and a good thing for the committee, if it had been disclosed.

There are other accounts that Mr. MacMillan and Dr. McGibbon were sent down to get. Mr. Euler says that you must have a true picture. How can you get a true picture without the accounts themselves being before the Committee. That is the only way you can get a true picture. Without them you do not get anywhere. To say that you are destroying the morals of—

Hon. Mr. EULER: Now, Mr. Chaplin, I protest. I never said anything of the sort. I am not talking of the morals.

Hon. Mr. CHAPLIN: You are impairing the morality of the road.

Hon. Mr. EULER: No, the morale.

Hon. Mr. CHAPLIN: All right Mr. Chairman, we will make it the morale. Impairing what, morale? Well, I will tell you it needs some correction; this morale that he talks about needs some correction, and that is what we propose to give it.

Mr. DUFF: Mr. Chairman, in seconding this motion of Mr. Euler's I feel as I did several weeks ago when this matter first came up. You remember sir, that when that discussion took place and when one of the members of this committee suggested a sub-committee to go into these matters, I made a statement that I felt if it was to be gone into properly it would take at least six months to get what some of the members termed a full picture of the proceedings.

Hon. Mr. CHAPLIN: It would take more than that.

Mr. DUFF: Mr. Chaplin interjects now to say it would take more than that. Well sir, if we are going to have a true picture I do not see how this committee is going to get it in the short time that we have to go into matters in connection with this great enterprise. You will remember sir, I also, on a point of order, raised the question that we had dealt with the 1930 report at the meeting of this committee last year, and we could not go back farther than any expenditures in connection with the 1931 business. I still contend that my argument was good, and that this committee if it feels it should go into those details, should deal only with the 1931 expenditures. I do think however, especially after hearing what Mr. Boys said, who is one of the directors, and chairman, if I remember correctly, of the sub-committee of the executive. He made a statement here when he was on the witness stand, that he and the other directors were willing to take full responsibility and to go into all the details which this committee was seeking in regard to the expenditures mentioned by several members of this committee.

I feel in the first place that it is not our duty to go into those details, because if we do go into them, it will take us a very long time, without getting all we require. I notice in Dr. McGibbon's remarks, that he said he had the information. Well, if he has the information, I think you will agree with me that all that is necessary is for Dr. McGibbon and Mr. MacMillan to make a report of their investigation. I cannot for the life of me see, however, how they could in the short time at their disposal, make a comprehensive report, and I do submit in the circumstances, and in the interest of the railroads, that it is much better if these matters were left with the directors to deal with because they can take all the time that is necessary. Somebody said that they meet only once a month. That may be quite true as far as the general Board of Directors is concerned, but there is no reason why, if this is the important matter that some members of the committee think it is, the Board of Directors could not meet every day until they investigated the whole matter properly, if it is worth investigating. It is an important matter, and I submit sir, to you, that it is a

matter for the directors to go into in detail, and it is our right to give to the directors any information we have regarding this matter, so they can investigate it properly.

I think it was Mr. Chaplin who referred to an account of one of the directors, and he said that this gentleman had been receiving certain sums for expenses and had not filed any vouchers. Well Mr. Chairman, that is not unusual. I know directors—

Hon. Mr. CHAPLIN: I never said he had not filed any vouchers.

Mr. DUFF: Somebody said that the other day.

The CHAIRMAN: That is not the matter under discussion.

Mr. DUFF: It is in connection with this matter. We are dealing with all these amounts which go to make up this $1,900,000. In that large amount I would presume would be some of the expenses paid to the directors. Now, as I say it is not an unusual thing for directors to ask for their expense account without filing vouchers. My opinion is if a director is to be compelled to file detailed statements of the tips he gives to porters, and the other things that he has to pay out when he is travelling in the interests of the railway, that it seems to me that this Government and the late Government should not have sufficient confidence in that person to keep him on the board. Now, it is well known to me and to most of us that directors do not always file expense accounts. Take, for instance, cabinet ministers. Cabinet ministers, ever since I have known of them, and I think I am right, never file detailed statements of their accounts, if they go to the Old Country or if they travel to Vancouver or anywhere else. When they come back my information is they say, my expenses were so much, and it is paid by the Government or by the Treasury. Now, it seems to me that the directors in this large enterprise are in exactly the same position, and it should not be held against any director when he puts in his total amount of expenses, that he has not included a detailed statement of every cent that he expended on the trip.

I respectfully submit in the first place, sir, that we are going beyond our functions in having those matters come up before this committee. It is a matter entirely for the directors to go into. I submit, in the interests of good business and in the interest of the Canadian National Railways; and I think it would be much better, if this whole matter were left to the directors. Mr. MacMillan and Dr. McGibbon can make their report and if they know of any other matters which should be investigated, or if any other member of the committee knows of any matters that should be investigated, it is their duty and our duty to report them to the directors and have them deal with them.

The CHAIRMAN: Mr. Euler, might I suggest that the wording of the pertinent part of your resolution be changed from the Board of Directors to the Executive Committee of the Board of Directors?

Hon. Mr. EULER: Yes.

The CHAIRMAN: I think it would be better.

Hon. Mr. EULER: They would, no doubt, refer it to that committee, anyway.

The CHAIRMAN: The executive meets once a week. With your permission I can make that change.

Mr. MACMILLAN: Mr. Chairman, I want to concur in the remarks of Mr. McGibbon. Mr. Duff has just said ministers of the Crown do not have to give any statements or any vouchers in regard to their expenditures. I would point out to him that the Auditor General sits on top of that.

Hon. Mr. EULER: No, he does not.

Mr. MACMILLAN: He has a right to, if he wants to.

Hon. Mr. EULER: Probably he has.

Mr. MacMillan: In days gone by, the financial aspect of the National Railways used to be checked by the Auditor General, but it was taken out of his hands, and since then it has become progressively extravagant, I may say, without any fear of contradiction. This sub-committee went to Montreal, and we did not go there to make an exhaustive study of this $1,900,000 expense account, we went there to confirm certain ideas we had in view of the extravagance of the high officials, and we confirmed it to the hilt.

Now then, we could not stay there. Let me give you an illustration. We were looking into one account in the afternoon, and it was known we would be there next morning. The next morning that account was locked up in the safe and we could not get it. I do not know why it was done, but that is the fact. I cannot for the life of me, as a business man of a good many years standing in Western Canada, see what harm it is going to do to have the expenses brought to the light of day. The people of this country are entitled to that knowledge, surely. It is our railroad; it is our money there is in it, and I think it is only fair and right that we should take the people into our confidence, and tell them just exactly where we are getting off. The Minister said the other day when he came into office he found the commitments of the National Railway to be $270,000,000; is that correct?

Hon. Mr. Manion: No. I said the committals were $270,000,000 in 1929, and $158,000,000 remained when we came into office.

Mr. MacMillan: All right. Our road lost last year $56,000,000. It made $1,000,000, as I understand it, over its operating cost, and lost $57,000,000.

Hon. Mr. Euler: May I just interject there? I certainly do not want to interrupt my friend—

Mr. MacMillan: You are very smooth.

Hon. Mr. Euler: —but I rise to a point of order. I do not see that we are discussing this item at all. We are discussing the expense account, not the commitments of $270,000,000.

The Chairman: The discussion took a pretty wide range. Mr. Duff went far afield, and I am not disposed to curtail discussion.

Mr. MacMillan: I do not want to cause any embarrassment. I was simply mentioning the condition of the railroad, and to illustrate a point that the people of the country desire information on, and that is the exact position in which we are in; and they also desire to know how this great property of ours came to get into this financial condition. I think they are entitled to that information. I have no quarrel with the National Railway as such. I know the rank and file of the National Railways are just as loyal and honest and square men and women as you can find in this country, but they have been let down. When you ask the officials at the top of the railway who are drawing those terrific salaries to take a cut of ten per cent, along with the pumpmen who are getting $90 to $100 a month, and who have been cut ten per cent, what happens?

Mr. Beaubien: That is the principle the Government supported.

Hon. Mr. Chaplin: I just want to ask a question. Some ten days ago I asked for the expense account of Mr. J. Gill Gardner. His name was brought out in this discussion, not by me, and I asked for that information. If this amendment of Mr. Euler's carries, do you consider that I am to be shut off from that information?

The Chairman: I do not see it shuts you off.

Hon. Mr. Euler: No, not at all.

The Chairman: It is directed against the expense accounts of the officials, not directors. They are two entirely separate things. The question is on the amendment. Does anybody else desire to speak?

Mr. GOBEIL: If there is going to be a vote taken, I wish to make a few remarks. When Mr. Euler read his amendment, my first impression was that I would vote in favour of it, my reason being that although I believed that the investigations made on the Canadian National Railways were proper, as far as I am concerned, I think my duty is to look more into what is going to happen in the future than what has happened in the past. For that reason I felt inclined to vote in favour of Mr. Euler's amendment, but I did not think it went as far as it does. If the amendment of Mr. Euler is carried I think the people of this country will feel that perhaps we are not doing the right thing, because, if I understood it correctly, the information would not be given to the committee. I believe that if some of the information asked for, if not all, could be given, it should be given to the committee. If we have to decide as to the publication of a public discussion of this information, I would certainly vote against it. I am in favour of the committee being supplied with all possible information, but I do not see what we can gain by making it public. As I said before, I think I am satisfied that errors have been made in the past, and that the investigations of this committee last year and this year, have rendered this country a real service. But in the meantime I think they have gone too far, and if we do not get the information, I think we are destroying in the public mind a certain amount of confidence that we should not do; and for that reason I think I am going to vote against the amendment of Mr. Euler, because if I understand it correctly, it deprives the committee of getting the information that they properly should get. I will absolutely reserve my decision as to my attitude in the future when the accounts come up and information that may be given to the committee.

The CHAIRMAN: Is the committee ready for the question?

Mr. BEAUBIEN: I ask that the vote be recorded, Mr. Chairman.

Hon. Mr. MANION: I was hoping that the vote would be taken without the Minister being forced to vote. I would in effect, be put in the same position as I was the other day. I was going to ask the committee, since there are reasons why I should not vote for or against, permission for the vote to be taken without my voting.

Mr. GRAY: We will excuse you.

Hon. Mr. MANION: If you care to let me offer my vote afterwards, should it be necessary, I should appreciate being left out of it. I shall only offer my vote if it is absolutely necessary.

Yeas: Beaubien, Bothwell, Duff, Euler, Gray, Heaps, Munn, Power—8.

Nays: Cantley, Chaplin, Fraser, Gobeil, Kennedy, McGibbon, MacMillan, Rogers, Stewart—9.

The CHAIRMAN: The amendment is lost.

Mr. DUFF: What is the vote.

The CHAIRMAN: Nine to eight. The clerk made an error and counted Messrs. McGibbon and MacMillan as voting yea.

Mr. POWER: Would you read the vote so that we may get it straight.

The CHAIRMAN: All right. I thought the clerk was in error because it did not tally with my check. The following voted yea and nay.

Yeas: Beaubien, Bothwell, Duff, Euler, Gray, Heaps, Munn, Power—8.

Nays: Cantley, Chaplin, Fraser, Gobeil, Kennedy, McGibbon, MacMillan, Rogers, Stewart—9.

Mr. STEWART: I voted too.

The CHAIRMAN: Yes. That is right. The amendment is lost. The question is on the main motion.

Mr. DUFF: I would like to have the vote recorded.

Mr. GOBEIL: Am I too late to ask that the motion be read?

The CHAIRMAN: The motion is that the information sought for in the memorandum dated April 20, signed by Messrs. McGibbon and MacMillan be produced by the railway company to the committee. That is the motion as I understand it. It has not been introduced in writing.

(The committee divided on the main motion which was carried on the same vote reversed.)

The CHAIRMAN: What is the next business we have to take up? We can hardly expect that all the information is ready for the committee to-day, but there are a number of questions which have been asked and perhaps they can be disposed of. If not, I would ask the committee to take up the consideration of the estimates which were referred at the opening of the session.

Sir HENRY THORNTON: Mr. Gray asked:—

> Question: Comparison of the number of tons of freight moved in 1925 as compared with 1929, and the number of passengers carried in 1925 as compared with 1929?
>
> Answer: Freight and Passenger statistics for the Canadian National Railway System, including Eastern Lines and excluding Central Vermont, are as follows:—

	1925	1929
Revenue tons carried..	54,999,257	65,213,335
Revenue passengers carried.. ..	21,675,234	19,251,458

Mr. KENNEDY: Have you any statement showing the relative investment in railway rolling stock necessary as the result of passenger service and freight service—the total cost to the railway of both?

Sir HENRY THORNTON: Yes, we have that.

Mr. KENNEDY: There is a great deal of discussion as to whether freight or passenger traffic is a paying or losing proposition; I would like to have that information.

Sir HENRY THORNTON: I think we can give that to you in a moment.

The CHAIRMAN: The passenger traffic has gone back progressively for the last four or five years.

Sir HENRY THORNTON: Yes.

Mr. KENNEDY: I was wondering what the relative losses of the two departments were to the railway.

Mr. FAIRWEATHER: The railway investment in passenger equipment and freight equipment?

Mr. KENNEDY: And the cost of running passenger trains.

Sir HENRY THORNTON: The cost?

Mr. KENNEDY: Yes; the cost of passenger service and the cost of freight service which takes in capital investment, and the cost of operation as well.

Sir HENRY THORNTON: We could not give that offhand. We could take a note of it.

Mr. KENNEDY: I did not think you could, but I would like to get it.

Sir HENRY THORNTON: The Chairman asked this question:—

> In addition to the land for the terminal, was any portion bought for the purpose of the Nova Scotian hotel? Answer: No.

The CHAIRMAN: Somebody suggested—I think Mr. Duff—that they had had to buy some land.

Mr. DUFF: I was not really sure. I wondered where that land came from; but Sir Henry's answer is quite sufficient; it was part of the terms of the purchase.

Mr. FAIRWEATHER: Mr. Bell asked:—

(1) Question: What has been the earned revenue of the Canadian National Railways from Passenger and Freight Traffic originating in the various Provinces for the last five years?

Answer: No record is kept of the Freight and Passenger Revenue by Provinces. The following statement shows tons of revenue freight originating in the various Provinces, which is the only information available:—

	1927 Tons	1928 Tons	1929 Tons	1930 Tons	1931 Tons
Nova Scotia	1,605,406	1,865,695	2,014,144	1,841,967	1,530,731
Prince Edward Island	211,974	247,706	265,881	293,392	243,158
New Brunswick	1,404,225	1,416,832	1,562,085	1,554,747	1,088,969
Quebec	5,461,547	5,771,743	6,314,941	4,986,923	3,937,336
Ontario	12,599,737	13,558,274	13,153,872	10,971,710	7,877,129
Manitoba	2,527,088	2,948,504	2,403,721	2,236,767	1,822,467
Saskatchewan	4,177,400	5,582,184	3,558,667	3,630,141	3,530,000
Alberta	3,946,829	5,052,531	3,851,169	3,269,215	3,027,532
British Columbia	1,050,755	1,283,469	1,359,878	1,030,738	707,472
Total	32,984,961	37,726,938	34,484,358	29,815,600	23,764,794

Mr. Bell asked the following questions:—

(2) Question: What expenditures in the building of new branch lines or repairing of old lines have been made by the Railway in the various provinces?

Answer: The segregation of these figures to individual years would involve considerable labour. The capital expenditures for branch line construction in Canada for the period 1923 to 1931, by provinces, is as follows:—

Province of Prince Edward Island	$ 367,708 18
Province of Nova Scotia	3,755,699 21
Province of Quebec	9,056,573 38
Province of Ontario	3,413,313 08
Province of Manitoba	9,862,745 83
Province of Saskatchewan	30,803,441 52
Province of Alberta	8,658,296 30
Province of British Columbia	5,210,853 33

(3) Question: What revenue has been realized in grain shipments, by provinces?

Answer: Answered by number 1.

(4) Question: How much grain—total tonnage—has been shipped via Churchill over the Hudson's Bay Railway?

What are the gross receipts of all other traffic over the Hudson's Bay Railway?

What was the total cost of operation of Hudson's Bay road since its opening?

Answer: The Canadian National Railways does not include the Hudson's Bay Railway operations in its accounts.

We can get that information for you. Then Mr. Bell asks:

(5) Question: Have the Western Wheat Pool, or other Canadian interests, built grain and storage elevators at Buffalo or other United States ports? Does such diversion mean loss of revenue to Canadian railways and Canadian ports—and if so, what is a conservative estimate of the loss?

Answer: The movement of Canadian grain to market by various routes is governed by commercial considerations, as well as transport facilities, of which the railway is only one factor. It is impossible to estimate in advance how much grain will move via one route as compared with another.

(6) Question: How much American grown grain was carried by Canadian railways during the past five years? What revenue was derived therefrom?

Answer: Impossible to furnish this information. The total handlings of foreign grain (largely U.S.) at Eastern Canadian elevators during the crop years 1924-25 to 1929-30:—

	Bushels
1924-25	173,193,165
1925-26	97,325,418
1926-27	114,475,015
1927-28	184,972,351
1928-29	172,054,915
1929-30	82,716,409

(See Grain Trade of Canada, 1930—page 25).

(7) Question: How much Canadian grown grain was carried by foreign bottoms? What loss of revenue did this mean to Canadian shipping interests?

Answer: Impossible to state as regards ocean tonnage. Shipments from Fort William and Port Arthur for the crop years 1926-27 to 1929-30 inclusive were as follows:—

	Cargoes in Canadian vessels	Cargoes in British vessels	Cargoes in U.S.A. vessels	Cargoes in other Foreign vessels
1926-27	810	–	456	5
1927-28	788	–	508	2
1928-29	854	6	627	10
1929-30	539	5	230	–

(See Grain Trade of Canada, 1930—page 82).

Then there is the following question by Mr. Beaubien:—

Question: Reduction in train mileage that took place last fall as per agreement between the two railway companies—number of train miles and the reduction by the Canadian National Railways and by the Canadian Pacific Railway?

Answer: In putting into effect reduced passenger train service each railway made such reductions as were considered advisable. Generally speaking there was no basis of agreement between the two systems, but with regard to cases where the change in service affected the competitive situation between the two railways there was an interchange of views.

The total reduction in train mileage made by the Canadian National Railways in the fall of 1931 was as follows, the figures being those which would result in a full year's operation of the reduction:—

Reduction Sept. 27, 1931	1,117,253
Reduction Nov. 22, 1931	3,223,838
Total	4,341,091

Sir HENRY THORNTON: Mr. MacMillan asked a question for a statement showing employees receiving pensions in excess of what the pension scheme calls for, each year, during the last five years. This is a very long statement.

The CHAIRMAN: Take it as read and have it included in the minutes.

By Mr. MacMillan:

Question: Statement showing employees receiving pensions in excess of what the pension scheme calls for, each year, during the last five years?

Answer:

Effective 1927 Name	Occupation	Location	Age	Service	Accumulative Service	Effective Service	Annual Amount Granted	Amount Entitled under Scheme	Excess Amount
Dubreuil, J.	Lineman	St. Rosalie	66	8	38	April 1, 1927	$ 300 00		$ 300 00
Wilson, R. R.	Clerk	Montreal	58	17		Feb. 1, 1927	200 00		200 00
*Gaybart, W.	Hostler	Toronto	68	17	51	Feb. 1, 1927	300 00		300 00
*Arbing, D.	Labourer	Summerside	85	20		Mar. 1, 1927	240 00		240 00
Hand, J.	Porter	Hamilton	68	10	37	April 1, 1927	200 00		200 00
*Laplante, T.	Elevatorman	Ottawa	74	14		April 1, 1927	200 00		200 00
Davies, D.	Porter	Winnipeg	83	18		July 1, 1927	200 00		200 00
Pulford, R.	Section Foreman	Allandale	84	9	31	Oct. 1, 1927	200 00		200 00
Pradbury, C.	Gateman	Toronto	56	13		Oct. 1, 1927	200 00		200 00
Sayer, A. E.	Despatcher	Montreal	49	12	24	July 1, 1927	240 00		240 00
*Bryan, J.	Conductor	Toronto	61	14	35	July 1, 1927	480 00		480 00
O'Neil, J.	Signalman	Port Arthur	83	13	24	May 1, 1927	200 00		200 00
Effective 1928									
*Geeson, J.	Gateman	Davenport	74	19	44	May 16, 1928	200 00		200 00
Wilson, H.	Machinist	Toronto	71	17	18	June 1, 1928	200 00		200 00
Kinloch, W.	Clerk	Montreal	76	21		Oct. 1, 1928	350 04		350 04
*Liddell, R.	Gareman	Toronto	75	19	58	Sept. 1, 1928	540 00		540 00
Brown, W. A.	Gen. Supt.	Edmonton	66	26		Oct. 1, 1928	3,600 00	$2,242 80	1,357 20
*Matthews, Mrs. C.	Manager	Wiarton	74	16		May 1, 1928	200 00		200 00
Graham, W. J.	Coalman	Emo	74	11	24	Oct. 1, 1928	200 00		200 00
Effective 1929									
Salter, F. C.	Manager	Montreal	65	25	34	Mar. 1, 1928	2,671 92	1,908 40	763 52
Clack, Miss J. R.	Operator	Toronto	70	9	31	April 1, 1929	200 00		200 00
Story, H. W.	Agent	Halifax	45	23		June 1, 1929	420 00		420 00
Watson, P.	Machinist	Montreal	71	16		Mar. 1, 1929	200 00		200 00
*Hesson, J. H.	Labourer	Stratford	68	17	18	Jan. 1, 1929	200 00		200 00
Telfer, Miss L.	Manager	Collingwood	55	10	17	Aug. 1, 1929	200 00		200 00
*Flynn, J. P.	Agent	Tamworth	39	13		Sept. 1, 1929	200 00		200 00
Blanchette, A.	Labourer	Montreal	69	17	37	Dec. 1, 1929	200 00		200 00
Hazeltine, T.	Machinist	Montreal	67	11	38	Dec. 1, 1929	200 00		200 00
Hamel, S. E. A.	Clerk	Quebec	50	14		Dec. 1, 1929	300 00		300 00

Effective 1930									
Finlayson, F. J.	Conductor	St. Thomas	76	5	26	Jan. 1, 1930	125 00		125 00
Cail, F. E.	Conductor	Kamloops	49	16	21	Jan. 1, 1930	600 00		600 00
Fish, R. H.	Gen. Supt.	Toronto	59	39		May 1, 1930	5,000 00	4,210 68	789 32
Methot, Miss M. C.	Manager	Three Rivers	76	3	22	May 1, 1930	300 00		300 00
Crozier, J.	Carpenter	St. John	73	22		Feb. 1, 1930	200 00		200 00
Connors, C. B.	Brakeman	Niagara Falls	67	23		May 1, 1930	240 00		240 00
Wood, D. O.	Gen. F.T. Mgr.	Montreal	66	11	31	July 1, 1930	6,000 00	5,903 64	96 36
Saunders, Mrs. E.	Charwoman	Toronto	74	25		Jan. 1, 1930	125 00		125 00
Friend, C. E.	Asst. Gen. Compt.	Montreal	59	34		Dec. 1, 1930	6,000 00	4,585 50	1,414 50
Connolly, J.	Cleaner	Montreal	78	19		April 1, 1930	250 08		250 08
Arnold, G.	Ticket Collector	Montreal	75	11	55	Nov. 16, 1930	500 00		500 00
Jarry, J.	Watchman	Waterloo	72	22	58	Nov. 1, 1930	500 00		500 00
Field, E. A.	Land Commissioner	Winnipeg	53	13	26	Oct. 1, 1930	2,400 00		2,400 00
Burk, F. N.	Agent	Ingersoll	44	20		Nov. 1, 1930	300 00		300 00
*Corner, M. A.	Flagman	Winnipeg	36	21		Nov. 1, 1930	300 00		300 00
*Henningsen, W.	Pipefitter	Montreal	69	16	48	June 1, 1930	300 00		300 00
Alton, J. F.	Section Foreman	Kirkpatrick	66	16	25	May 1, 1930	300 00		300 00
Burns, G. F.	Operator	Flint	45	25		Feb. 1, 1930	300 00		300 00
Tansley, J. A.	Watchman	Hamilton	68	17	38	April 1, 1930	300 00		300 00
Holmes, A.	Labourer	Montreal	73	11	39	Oct. 1, 1930	300 00		300 00
Weldon, A. T.	Vice-Pres.	Montreal	54	16	18	July 1, 1930	10,000 00		10,000 00
Effective 1931									
Condon, W.	Machinist	Halifax	74	19	39	Jan. 1, 1931	300 00		300 00
Bunting, G. E.	Manager	Australia	57	12		Nov. 1, 1931	1,200 00		1,200 00
Tofts, J.	Machineman	Transcona	70	20		Jan. 1, 1931	120 00		120 00
Harling, N. H.	Labourer	Port Mann	50	3	14	Jan. 1, 1931	200 00		200 00
Walsh, J.	Sectionman	Westville	73	16	33	Jan. 1, 1931	300 00		300 00
Fletcher, A. C.	Signalman	Winnipeg	66	15	21	Jan. 1, 1931	300 00		300 00
Grier, O. M.	Clerk	Detroit	71	21		Jan. 1, 1931	240 00		240 00
Perry, R. F.	Foreman	Prince Rupert	71	20		Jan. 1, 1931	120 00		120 00
Hulme, J.	Cleaner	Ottawa	70	18	32	May 1, 1931	120 00		120 00
Rosevear, J. M.	Gen. Compt.	Montreal	61	34		June 1, 1931	10,000 00	9,717 72	282 28
Harris, C. L.	Supt.	Duluth	66	15		Aug. 15, 1931	1,200 00		1,200 00
Turnbull, T.	Engineer	Winnipeg	74	17		Aug. 1, 1931	1,200 00		1,200 00
Kersey, J.	Switchman	Detroit	70	20		Mar. 1, 1931	300 00		300 00
Hutton, W. S.	Res. Engineer	Islay	73	7	27	June 1, 1931	540 00		540 00
Lefebvre, F. H.	Watchman	Montreal	71	15	31	Oct. 1, 1931	300 00		300 00
Way, W. B.	Supt.	Allandale	63	16		Oct. 1, 1931	1,200 00	900 00	300 00
Rochester, J. Y.	Supt. Ferries	Vancouver	79	15		Nov. 1, 1931	600 00		600 00
Toyn, R.	Switchtender	Bridgeburg	62	20		Jan. 1, 1931	300 00		300 00
Murphy, T.	Punch Oper.	Montreal	70	13	51	July 1, 1931	600 00		600 00

*Deceased.

Mr. FAIRWEATHER: Dr. McGibbon asked this question:—

Question: Cost of equipment of all the medical services, including the cars, x-ray machines and everything of that kind, where they are located, the personnel, salaries, and the total yearly expenses, as well as the total investment?

Answer: (*a*) Cost of equipment of all medical services, including x-ray machines, ambulances, medical cars, general equipment and alterations, $52,154.24. (For details see schedule 1 at page 275.)

(*b*) *Personnel*

Full time employees, including supervisory officers, doctors, nurses, technicians and clerical staffs	67
Part time consultants	6
Part time doctors	26
Tariff doctors	609

Total expenses for 1931 including rentals, medical supplies, fees and personal expenses, $307,018.61. (For details see schedule 2 at page 275.)

The CHAIRMAN: Would you explain what is meant by tariff doctors?

Mr. FAIRWEATHER: They would be doctors where there is an arrangement with the Canadian National Railways for their services in accident cases or things of that kind on a fee basis.

The CHAIRMAN: All over the country?

Mr. FAIRWEATHER: All over the country.

Hon. Mr. CHAPLIN: Does this amount include their cost?

Mr. FAIRWEATHER: Yes.

Mr. MCGIBBON: Are you supplying free examinations to all your employees on the Canadian National Railways, officials and otherwise.

Sir HENRY THORNTON: You mean upon entering the service?

Mr. MCGIBBON: No. I mean now.

The CHAIRMAN: Dr. McCombe, the chief medical officer, I understand is in the room. Would you come forward Dr. McCombe.

Mr. MCGIBBON: I understand, doctor, that you are called in to give free examinations to conductors, brakesmen and practically all of your thirty-five hundred employees?

Dr. MCCOMBE: We are doing periodical physical examinations on the hazardous occupations—engine, train and yard men.

Mr. MCGIBBON: How often?

Dr. MCCOMBE: Every three years before fifty years of age; every two years thereafter.

Mr. MCGIBBON: Is it limited to that?

Dr. MCCOMBE: Yes.

Mr. MCGIBBON: What does that include?

Dr. MCCOMBE: It includes locomotive engineers, firemen, conductors, brakesmen, switchmen, signalmen and gatemen, all engaged in the conduct of the train service.

Hon. Mr. EULER: What was the total number, approximately?

Dr. MCCOMBE: I think, perhaps, Mr. Fairweather could tell you that.

Mr. FAIRWEATHER: I imagine somewhere in the neighbourhood of 20,000 employees.

Mr. McGIBBON: Does that include X-Ray examinations, specialists examinations?

Dr. McCOMBE: It only includes X-Ray examinations where we have an X-Raying machine and where there is some serious condition. None of these men, as far as I know, has ever had to have an X-Ray examination.

Mr. McGIBBON: Are they called in at different centres from all over the road?

Dr. McCOMBE: The arrangement originally made was that they would be examined by their local doctor who was our doctor appointed, but, owing to conditions during the last eighteen months, we are examining very few—only the men who can come in in their own time from the major points where they have full time or part time doctors to examine them.

Mr. McGIBBON: How many points have you?

Dr. McCOMBE: Halifax, Moncton, Quebec, Montreal, Toronto, Winnipeg, Edmonton and Vancouver.

Mr. McGIBBON: All right, thank you.

The CHAIRMAN: Dr. McCombe, how many clinics have you with X-ray and other equipment?

Dr. McCOMBE: Two.

The CHAIRMAN: Where are they?

Dr. McCOMBE: One at Moncton and one at Montreal.

The CHAIRMAN: What is the cost of establishing and maintaining those clinics?

Dr. McCOMBE: I think Mr. Fairweather has the cost—$41,000. That is included in all the other costs.

Mr. MACMILLAN: Is it the usual practice of railways to establish clinics like this through the country?

Dr. McCOMBE: It is on American roads.

Mr. MACMILLAN: Is it on the Canadian Pacific Railway?

Dr. McCOMBE: No.

Mr. MACMILLAN: How do they handle theirs?

Dr. McCOMBE: They handle their medical service through the Claims Department very largely, all the accidents.

Mr. MACMILLAN: The Claims Department don't pay for any examinations.

Dr. McCOMBE: They pay the doctors. The Claims Department might not pay for physical examinations. That might be charged to the medical service. I was speaking of accidental injury.

Mr. MACMILLAN: What I am asking is, do they employ regular practitioners through the country at different points to carry on that work of inspection for them?

Dr. McCOMBE: I think they do. I think they employ regular practitioners throughout the country.

Mr. MACMILLAN: Have they any full time medical men?

Dr. McCOMBE: I think so.

Mr. MACMILLAN: You don't know?

Dr. McCOMBE: I am pretty sure they have.

Mr. MACMILLAN: How many?

Dr. McCOMBE: Dr. Beatty is one.

Mr. McGIBBON: But they have no clinics?

Dr. McCombe: No, they have no clinics.

Mr. MacMillan: That is a departure in this country?

Dr. McCombe: It is common practice on the American roads.

Mr. MacMillan: But it is a new departure in this country?

Dr. McCombe: Yes, it is a new departure in this country.

The Chairman: Dr. McCombe, you are spending a good deal of money compared with your competing system on this service, are you not?

Dr. McCombe: I don't think we are spending as much on the medical service per capita as the Canadian Pacific Railway.

The Chairman: Are you basing that on any facts that you know, or is that just an opinion?

Dr. McCombe: The only facts we have to go on, where our accounts are comparable, both railroads joined in presenting evidence before a royal commission in Toronto last year, in connection with the Workmen's Compensation Board, and we both gave our figures for the cost of accidental injury, for a five-year period. The figures for the Canadian Pacific Railway for the five-year period, their expenditure on account of total disability, partial disability, and death, under the administration charges of the Compensation Board was $1,154,322.90. The total for the Canadian National Railways was nearly double that, $2,097,724.35. That was explained by our Chief Claims Agent as being due to the fact that we have far more shops in Ontario and more men employed with a higher rate of accident. The Canadian Pacific Railway had an average of personal injuries per year of 882 cases; we had 1,720 cases; but in the five-year period the total cost for medical attention in the Canadian Pacific Railway was $137,846.20; the total cost for the Canadian National Railways, with double the number of workers practically, was only $156,271.72. The average worked out on the number of accidents is that each average accident cost the Canadian Pacific Railway $40.43. Each average accident cost the Canadian National $18.17.

The Chairman: What permanent staff have you at Winnipeg?

Dr. McCombe: Doctors?

The Chairman: Yes.

Dr. McCombe: That is, full time?

The Chairman: Yes.

Dr. McCombe: Two.

The Chairman: And how many has the Canadian Pacific Railway got?

Dr. McCombe: I think they have two.

Mr. Heaps: There are far more men employed by the Canadian National Railways than by the Canadian Pacific Railway in Winnipeg?

Dr McCombe: Oh, I am sure of that.

Mr. Fairweather: I have the following:

"SCHEDULE 1

TOTAL INVESTMENTS TO DECEMBER THIRTY-FIRST, 1931
($52,154.24)

	Equipment	X-Ray Machines	Ambulance Cars	Alterations	Railway Cars
Halifax	$ 819 37				
Moncton	1,528 40	$2,643 35			$12,752
Quebec	695 20		$1,367		
Montreal	16,531 00	2,132 00	2,590		
Toronto	2,186 98			$400	
Winnipeg	6,619 46				
Edmonton	801 36			426	
Vancouver	662 12				
Total	$29,843 89	$4,775 35	$3,957	$826	$12,752"

"SCHEDULE 2

PERSONNEL

The company employs or has some control over 655 doctors who are distributed as follows:—

General Supervisory Officers, 7	$39,750 00
Part-time Consultants, 6	7,300 00
Full-time Doctors, 7	15,712 04
Part-time Doctors, 26	26,245 00
Tariff Doctors, 609.	

In addition to the work done by the full and part-time doctors on salary, there is also that of the doctors who are on a fee basis. In the accountancy of the Claims Department the fees paid to them and hospital bills for personal injury are treated as one amount. There are the following items for the year 1931:—

Medical, Nursing and Hospital expense for personal injury	$128,092 99
Medical attention to sick passengers and immigrants	788 30
Medical examinations	5,617 30
Other employees are as follows:—	
Technical employees, 31	$36,371 85
(Includes the Chief Sanitary Inspector, his Technicians, Nurses, etc.)	
Clerical Staff, 22	24,351 34
	$284,228 82
Less deductions on account of reductions in salaries.	$2,813 92
	$281,414 90
Personal expenses	7,854 75
Medical supplies and miscellaneous	5,917 57
Rentals	11,831 39
Total expenses for year 1931	$307,018 61"

Then:—

"*Question asked by Hon. Dr. Manion:*

Question: Publicity Costs for 1929, 1930 and 1931, including Advertising.

"*Question asked by Hon. Dr. Manion:*

Question: Details of reduction of $1,000,000 in Advertising Expenses, 1932 as compared with 1930.

"*Question asked by Hon. Dr. Manion:*

Question: Statement showing amount of all expenses, including Salaries and Personal Expenses of all Members of the Publicity Department, for the years 1929, 1930 and 1931.

Question asked by Mr. MacMillan:

Question: Under heading of Publicity Department, does it include Transportation.

Answer: Answers to the above questions have been prepared in statement form, and are attached hereto."

CANADIAN NATIONAL RAILWAYS AND STEAMSHIPS

Publicity Expense embracing Advertising, Radio Department, General Publicity and Magazine

—	1929		1930		1931		Proposed Expenditure 1932		Estimated Savings 1932 over 1930	
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts	$ cts.	$ cts.	$ cts.	$ cts.
Advertising Department—										
Salaries and Wages	82,595 02		129,725 67		105,099 89		91,500 00		38,225 67	
Travelling Expenses	7,634 30		15,702 64		14,844 89		13,500 00		2,202 64	
Direct Advertising	1,681,910 70		1,589,401 05		1,200,640 98		795,500 00		793,901 05	
		1,772,140 02		1,734,829 36		1,320,585 76		990,500 00		834,329 36
Radio Department—										
Salaries and Wages	159,247 64		169,318 39		143,163 34		52,000 00		117,318 39	
Travelling Expenses	8,162 72		13,436 56		8,426 09		4,200 00		9,236 56	
Rental of Stations	54,579 75		60,756 23		51,894 85		27,933 00		32,823 23	
Talent	117,334 98		95,073 82		59,941 27		30,992 00		64,081 82	
Miscellaneous	101,756 91		82,018 17		62,822 77		*1,125 00*		83,143 17	
		441,082 00		420,603 17		326,248 32		114,000 00		306,603 17
Publicity Department—										
Salaries and Wages	106,835 66		80,318 84		72,332 66		52,000 00		28,318 84	
Travelling Expenses	21,300 00		20,151 20		15,206 81		13,000 00		7,151 20	
Electros and Photographic Material, etc	70,553 54		117,411 76		69,351 63		52,500 00		64,911 76	
		198,689 20		217,881 80		156,891 10		117,500 00		100,381 80
Magazine—										
Salaries and Wages	9,522 50		10,730 00		13,390 65		14,500 00		*3,770,00*	
Travelling Expenses	2,768 66		2,076 89		2,526 27		2,000 00		76 89	
Stock (paper)	39,461 22		38,681 02		35,776 13		*20,000 00*		18,681 02	
Press work	31,923 21		28,537 01		23,361 63		12,500 00		16,037 01	
Printing and Other Expenses	34,896 59		39,502 28		30,941 71		16,000 00		23,502 28	
Revenue	*84,837 50*		*86,939 65*		*63,188 40*		*60,000 00*		*26,939 65*	
		33,734 68		32,587 55		42,807 99		5,000 00		27,587 55
		2,445,645 90		2,405,901 88		1,846,533 17		1,137,000 00		1,268,901 88
Total Salaries and Wages		358,200 82		390,092 90		333,986 54		210,000 00		180,092 90
Total Travelling Expenses		39,865 68		51,367 29		41,004 06		32,700 00		18,667 29
Total Direct Advertising		1,681,910 70		1,589,401 05		1,200,640 98		795,500 00		793,901 05
Total Other Expenses		365,668 70		375,040 64		270,901 59		98,800 00		276,240 64
		2,445,645 90		2,405,901 88		1,846,553 17		1,137,000 00		1,268,901 88
*Includes Advertising paid for by Transportation	244,112 64		209,655 33		164,353 42		140,000 00		69,655 33	

Accounting Department, Montreal, May 2nd, 1932.

The CHAIRMAN: We might have the totals read.

Mr. FAIRWEATHER: "Publicity expense embracing Advertising, Radio Department, General Publicity and Magazine":—

1929	$2,445,645 90
1930	2,405,901 88
1931	1,846,533 17
1932—Proposed expenditure	1,137,000 00
Estimated saving 1932 over 1930	1,268,901 88

The statement shows the division of the expenses between the Advertising Department, the Radio Department, the Publicity Department and the Magazine, and contains at the bottom a distribution of the expenses between salaries and wages, travelling expenses, direct advertising, and other expenses.

In answer to Mr. MacMillan's question, there is a footnote showing how much of the advertising cost is paid for by transportation.

The CHAIRMAN: Just read those.

Mr. FAIRWEATHER: In 1929, advertising paid by transportation, and included in the statement shown above, $244,112.64; 1930, $209,655.33; 1931, $164,353.42; proposed expenditure for 1932, $140,000.

Hon. Mr. CHAPLIN: Will you be kind enough to explain what you mean by "Advertising paid for by transportation"?

Mr. FAIRWEATHER: I think that question came up in the Committee before, Mr. Chaplin. Briefly, it consists of this,—that a good deal of the advertising we get we won't pay for it except in transportation. It is just a means of paying our advertising bills in transportation.

Mr. KENNEDY: Bartering services.

Mr. FAIRWEATHER: Yes, we pay it in trade.

Mr. DUFF: In other words, you give passes to newspapers for the advertising they give you?

Mr. FAIRWEATHER: They are revenue tickets.

The CHAIRMAN: But they are charged up to each paper and a statement is made periodically?

Mr. FAIRWEATHER: Yes.

Mr. MCGIBBON: What is the cost of radio broadcasting, Mr. Fairweather?

Mr. FAIRWEATHER: The Radio Department in 1929 showed a total cost of $441.082; in 1930 it was $420,603.17; in 1931 it was $326,248.32; the proposed expenditure in 1932, $114,000.

The CHAIRMAN: A saving of $306,603.17.

Mr. MACMILLAN: How do you effect that saving?

Mr. FAIRWEATHER: The saving of $306,603.17 is estimated to arise from the following:—

Salaries and wages	$117,318 39
Travelling expenses	9,236 56
Rental of stations	32,823 23
Talent	64,081 82
Miscellaneous	83,143 17

Mr. BEAUBIEN: A good deal of that saving would be in radios being taken off the trains?

Mr. FAIRWEATHER: Yes.

Mr. HEAPS: Are those the gross costs or the net costs?

Mr. FAIRWEATHER: Those are gross, Mr. Heaps.

Mr. HEAPS: Is there much difference between the gross and the net?

Mr. FAIRWEATHER: With regard to radio?

Mr. HEAPS: Yes.

Mr. FAIRWEATHER: Of course that is rather a difficult question to answer categorically, because if you start crediting against the radio the result of its advertising value, or even the direct revenue that perhaps our telegraph service gets—

Mr. HEAPS: I am referring to direct revenue that you get from advertising.

Mr. FAIRWEATHER: The revenue from leasing of stations for commercial broadcast in the year 1931 amounted to $25,669.41; in 1930 it was $40,246.38. That was revenue from the leasing of our stations.

The CHAIRMAN: Are these figures here, Mr. Fairweather, net costs after crediting any direct revenue?

Mr. FAIRWEATHER: Yes, I would say it would be net.

The CHAIRMAN: But not indirect?

Mr. FAIRWEATHER: Not indirect, no.

The CHAIRMAN: Are there any other questions arising out of this statement?

Mr. MACMILLAN: I was speaking of the magazine the other day and I was told that there was charged to the magazine for salaries a sum of $18,000. It does not seem a reasonable distribution of that advertising cost. That magazine costs more than $18,000 in wages to produce.

The CHAIRMAN: Well, the items are all here.

Mr. MACMILLAN: Well, the items may be there, but it is an arbitrary figure; I mean to say the amount is arbitrarily arrived at.

The CHAIRMAN: The amount, as I understand it, didn't come anything near $18,000 for salaries and advertising.

Mr. MACMILLAN: Well, then, what is it?

The CHAIRMAN: Well, it is here. The magazine cost for salaries and wages in 1929, $9,522.50; in 1930, $10,730; in 1931, $13,390.65; the proposed expenditure in 1932 is $14,500.

Mr. MACMILLAN: By way of wages?

The CHAIRMAN: That is salaries and wages. Travelling expenses in 1929, $2,768.66; 1930, $2,076.89; 1931, $2,526.27; proposed expenditure 1932, $2,000. Stock (paper) 1929, $39,461.22; 1930, $38,681.02; 1931, $35,776.13; proposed expenditure 1932, $20,000. Press work, 1929, $31,923.21; 1930, $28,537.01; 1931, $23,361.63; proposed expenditure, 1932, $12,500. Printing and other expenses, 1929, $34,896.59; 1930, $39,502.28; 1931, $30,941.71; proposed expenditure, 1932, $16,000.

Mr. MACMILLAN: Mr. Chairman, my point is a simple one; it is simply to arrive at the cost of this magazine. It is said to be four cents in one year and three point something another year, and my contention is this, that there are not enough wages charged in there to get that magazine out. I have in my hand a copy of the magazine, and the salary list of $9,000 for one year could not possibly produce that magazine.

Mr. FAIRWEATHER: I might say with regard to that, that of necessity all of our operating expenses are divided between the different departments and between the different sub-departments upon a basis of pro rating.

Mr. MACMILLAN: It is an arbitrary arrangement.

Mr. FAIRWEATHER: It is an arbitrary arrangement. But it is just like any other cost account, and I would challenge this, that you could put in any cost

accountant that you desire on the cost of this magazine and his figures would not depart materially from the figures that are shown here.

The CHAIRMAN: Mr. Bell of St. Antoine asked certain questions.

Mr. MCGIBBON: May I have a list of those taking part in broadcasts and the salaries paid within the last few years?

The CHAIRMAN: Make a note of that, Mr. Fairweather. They will endeavour to get you that information, Dr. McGibbon.

The CHAIRMAN: In answer to Mr. Bell's question No. 4, Mr. Smart, the Deputy Minister, replied:—

The replies to Mr. Bell's question No. 4, attached, are as follows:—

Grain shipped over Hudson Bay Railway during the past five years

1927/28	Nil
1928/29	"
1929/30	33 bushels (1 ton) (Publicity shipment by Hudson's Bay Co.)
1930	Nil
1931	544,760 bushels (16,343 tons)

The gross receipts of all other traffic over the Hudson Bay Railway during the past five years are:—

1927/28	$ 95,049 58
1928/29	118,759 31
1929/30	106,139 02
1930/31	298,125 62
1931/32 (9 months)	322,249 39

The Hudson Bay Railway is still in the hands of the Construction Department of the Canadian National Railways and the net operating costs are chargeable to capital.

The CHAIRMAN: Those are all the questions, I understand.

Hon. Mr. EULER: Did I understand you correctly, Mr. Chairman, to state that the net operating costs are charged to capital?

The CHAIRMAN: That is the memorandum supplied by the Deputy Minister.

Hon. Mr. EULER: Under what principle is that?

Mr. SMART: The railroad is still under construction, Mr. Euler, and, therefore, it is operated by the construction department, and any revenues which go to it are credited to the cost of construction.

Hon. Mr. EULER: You are taking it, then, as a matter of operating the railroad which does not really exist?

Hon. Mr. MANION: Nearly all this operating revenue is derived from carrying their own materials.

Mr. SMART: Contractors' materials and things of that sort.

The CHAIRMAN: Mr. Chaplin has handed in the following motion:—

That a statement in gross of each of the expense sheets of the present directors of the Canadian National Railways for the period of the fiscal year 1931 be supplied.

Hon. Mr. CHAPLIN: I just want to make an explanation regarding that: Judging from some remarks I have heard it looks as if I had made a dead set upon one director last year. I did that because of things that had been said in this Committee, and I do not want to have any appearance of playing politics.

I am quite satisfied, therefore, to put in a request for the expense sheets of every director that is there. I am just as much interested in that as I am in any other. I want to see them get down to business and have their expense sheets down too.

The CHAIRMAN: Do you wish that put in the form of a motion?

Mr. BEAUBIEN: It is just an ordinary question.

The CHAIRMAN: Yes, but it has to be in the form of a motion, that the management be requested to give this information. I don't see any objection to it myself.

Mr. BEAUBIEN: I am just as much opposed to that as to the other.

The CHAIRMAN: Then I will put the motion.

Motion carried.

Mr. MACMILLAN: Am I to understand that the questions that were asked have all been answered?

The CHAIRMAN: No, no, all the questions which were asked to which answers are ready have been answered. That was my understanding.

The CHAIRMAN: Gentlemen, you will recall that when we passed without any comment or discussion at all, Bill No. 34, the right was reserved to take up before this committee the items making up this sixty-one and a half million dollars. Really, that is a most important thing that comes before this committee; in my humble judgment, I think we ought to deal with it, rather than spend—I am not making any comment now about the time we have taken on other matters, but we ought to take some time with this—

Mr. POWER: What do you want to discuss in this bill?

The CHAIRMAN: I should like to have the committee go through it. There has been prepared and presented to every member of this committee, a book showing the estimated financial requirements for 1932, and on the very first page you will see how this sixty-one and a half millions are made up. First you will see the proposed deficit, and then following that are certain Exhibits, A, B, and C, giving details. It seems to me this is a most important document.

Hon. Mr. EULER: Is that in this book?

The CHAIRMAN: Yes. I hope members of this committee have read this book and are prepared to discuss it.

Mr. POWER: Most of us have forgotten to bring down our books, because we have gotten so far away from the subject.

The CHAIRMAN: I am trying to get you back.

Mr. POWER: If the chairman will postpone this discussion until this afternoon, we shall all have our books.

The CHAIRMAN: Perhaps we could adjourn now and meet at four o'clock sharp.

This will be the first order of business at four o'clock. Bring your books with you.

Committee adjourned until 4 p.m.

The Committee resumed at 4 P.M.

The CHAIRMAN: Gentlemen, the first order of business this afternoon is Bill 34 of the estimates of the railway for the year. As I pointed out this morning on the first page of this pamphlet entitled "Estimated Financial Requirements, 1932", you will find a statement entitled, "New Money Requirements: net income requirements after interest, $42,784,610.13; net capital requirements, Exhibits F, P, Q, R, S, $6,933,738; acquisition of securities, Exhibit E, $100,000. Total new money requirements $49,727,348.13."

Now, if you want to deal with these we should deal with the exhibits. First is Exhibit A which shows the requirements: "Condensed Statement of Net Income Resources or Requirements after interest charges new public year ending December 31, 1932." It is divided into three headings, always excluding the Eastern Lines. That is on page 1, Exhibit A.

Mr. BEAUBIEN: Has the Bill passed the house?

The CHAIRMAN: It has gone through. It had to go through because the allocated portion of this deficit has been accumulated since the first of the year and the company had no money, and it was absolutely necessary to put through the Bill in order that provision might be made so that the company could get some support to pay its creditors, outside of their payroll.

Sir EUGENE FISET: It went through in five minutes without objection from anybody.

The CHAIRMAN: It did. Now, does this committee want to put through this estimate in five minutes?

Mr. DUFF: I move that it go through in one minute.

The CHAIRMAN: Of course, I do not think that is the right way to deal with this important matter.

Mr. MACMILLAN: How much was this same estimate last year when the committee were dealing with it? What did it amount to according to the estimates?

Mr. FAIRWEATHER: What item are you referring to, that corresponding to the $42,000,000? As budgeted, $31,367,882.66. The actual requirements were $52,255,676.04.

Mr. MACMILLAN: That is the point. I recall the circumstances and I am wondering whether this estimate here is going to be as much over-run as the one last year?

The CHAIRMAN: It over-ran last year by about $10,000,000.

Mr. MACMILLAN: $20,000,000: 40 per cent.

Sir HENRY THORNTON: May I answer that? The basis, of course, is an estimate of what the gross revenue of the company will be for the year. That is what one has to start with. The figure that has been placed in this sheet of $157,000,000 approximately is the closest estimate that we can make. When I say "we" I mean the traffic officers and all of those officers of the company whose opinions have been collected and analyzed and examined. Now, nothing is more difficult in these times than to make an estimate of what the gross revenue from any business will be, but the figure that has been put down here and which is the starting point of all of the calculations represents the consensus of the best intelligence which we can muster. I do not think I can add to it excepting that in the light of last year's experience in which we were sadly disappointed in the gross revenue, and having that in mind I should say that certainly my own opinion is—and I think that would be the opinion of all of the officers of the company who know anything about it—that we will certainly be nothing like as badly off this year as last year.

Mr. HEAPS: May I ask how this item of $157,000,000 compares with the receipts for the same item last year?

Mr. FAIRWEATHER: The gross revenue last year, $177,243,738, and we are budgeting this year on a level of about $20,000,000 less than that. Now, our performance to-day, up to the present date, would indicate that that $157,000,000 of gross will actually be attained. The reason our estimate was so sadly out last year was because we had budgeted too generously on our gross revenue. We had estimated $228,000,000. Our actual was only $177,000,000. There was, therefore, a drop of $43,000,000. Our budget to date, our budget for this year of $157,000,000 is, in point of fact, following very closely to the actual performance and our net revenue indications are very close to our budget.

Mr. MACMILLAN: How is your percentage of operating revenue—at least. your operating costs of your revenue compared to last year at this time?

Mr. FAIRWEATHER: The operating ratio—this is to the end of March—in 1932 was 101.81 as compared with the 1931 figure of 99.77, but when you give consideration to these figures you must remember that our revenue for the two months of 1932 was only $34,201,000 as compared with $42,200,000 in the previous year. The operating ratio—as the traffic falls off, operating ratio must go up. We cannot escape that. Good management consists in trying to keep the rise in the operating ratio with falling traffic as slight as possible. As a matter of fact, our decrease in revenue over the same period last year amounted to almost exactly $8,000,000 and our decrease in expenses amounted for the two months to $7,282,000.

Mr. MACMILLAN: It shows a slight increase.

Mr. FAIRWEATHER: Very slight, yes.

Sir HENRY THORNTON: In estimating, of course, the gross revenues for any large transcontinental railway in Canada we have always got to give a good deal of consideration to what the wheat crop is going to be. There is nothing more treacherous and difficult to estimate upon than a wheat crop. It may start off looking extraordinarily well, and drought, rust, soil drifting, early frost and all sorts of things later in the season may creep into that and completely upset your estimate. Again, you may estimate upon a low wheat crop because conditions look bad and exactly the opposite may happen. As far as this year is concerned—for what it is worth, but only for what it is worth—it looks as if the wheat crop in the west ought to be very good. It has been estimated by competent observers to be as high as 500,000,000 bushels. Now, whether that is exactly the figure or whether it is going to be something less or not, I do not suppose anybody at this time can tell, but certainly indications thus far point to a very materially improved wheat crop.

The CHAIRMAN: How are your operating revenues to the 31st of March and your operating expenses to the same date?

Mr. FAIRWEATHER: The operating revenues for 1932, for the first three months, were: gross revenues, $34,201,350; operating expenses, $34,820,296; net revenue from railway operations, a deficit of $618,946, or an operating ratio of 101·81.

Hon. Mr. MANION: You are using that word deficit to mean operating deficit?

Mr. FAIRWEATHER: I think I said that.

Mr. KENNEDY: Was it the partial crop failure that accounted for the spread last year?

Sir HENRY THORNTON: Well, that was a large factor, of course. If I might say, that figure that we have given represents the best intelligence that can be mustered.

The CHAIRMAN: On the basis of those three months' figures how is your estimate on operating revenue of about eighteen millions going to work out?

Mr. FAIRWEATHER: We are running on schedule absolutely. We anticipate in the early months of the year that we have to face a deficit. The lean months of the year are the first three months. After that things normally improve.

The CHAIRMAN: While the crop is being moved?

Mr. FAIRWEATHER: Our best month is October and then November and December will slide off. We are absolutely on schedule so far.

Mr. HEAPS: In the $189,000,000, that is, operating expenditure, how does that compare with the same item of last year?

Mr. FAIRWEATHER: Last year it was $169,000,000.

The CHAIRMAN: Other income debits or credits, net? What does that $5,079,000 represent?

Mr. FAIRWEATHER: It is everything except interest. It includes the operation of hotels, taxes and rents.

The CHAIRMAN: I see. It includes current expenditure that has to be charged to operation other than the operation of the railway which does not fall properly under railway operation?

Mr. FAIRWEATHER: Yes.

The CHAIRMAN: Is there anything here to show what that is made up of?

Mr. FAIRWEATHER: The annual report will show the nature of it. If you will turn to the Annual Report, Income Account, page 12—that item would be made up of Railway Tax Accruals, Uncollectible Railway Revenues, Revenues from Hotel Operations, Expenses of Hotel Operations, Taxes on Hotel Property, Rent from Locomotives, Rent from Passenger Train Cars, and all that, except interest charges.

The CHAIRMAN: Except interest to the Government or the funded debt?

Mr. FAIRWEATHER: Interest charges to the Government, and, of course, the Government interest is not in it either.

The CHAIRMAN: In this item, how much is anticipated will be the loss on the hotels this year?

Mr. FAIRWEATHER: I don't seem to be able to put my hand on that detail. We have not got the detail here.

The CHAIRMAN: Last year the hotel net operating deficit was $198,000, is that right?

Mr. FAIRWEATHER: We are budgeted for a deficit of $30,212.00 for hotels as compared with a deficit of $198,000, actual.

The CHAIRMAN: Does that budget take into account anything for depreciation on furniture and trade fixtures?

Sir HENRY THORNTON: No, it does not.

The CHAIRMAN: Is that included in the operation?

Sir HENRY THORNTON: That is simply the difference between the revenue and the expense.

The CHAIRMAN: Well, then, do you take care of replacements?

Sir HENRY THORNTON: We take care of replacements as they occur, but there is no specific charge annually to that account.

The CHAIRMAN: Interest on funded debt due the public—Exhibit "B"—an increase here?

Sir HENRY THORNTON: There isn't any increase.

The CHAIRMAN: What was it last year?

Mr. FAIRWEATHER: It will be shown in the annual report.

The CHAIRMAN: At page 12, $55,214,977.47. That was the interest on the long term debt last year, and this year it is $56,849,245.65, a difference of?

Mr. FAIRWEATHER: A difference of $1,634,267.00.

The CHAIRMAN: Additional interest charges to the public are $1,634,000?

Mr. FAIRWEATHER: Yes.

The CHAIRMAN: How much of that was new expenditure and how much of that was capitalization of deficits last year?

The Committee might as well face the situation, that in any given year when the system does not earn enough to pay, (*a*) operating expenses, (*b*) interest to the public, (*c*) refunding,—the whole thing is capitalized and borrowed; that is a fair statement, is it, Sir Henry?

Sir HENRY THORNTON: Oh, yes, it cannot be otherwise.

The CHAIRMAN: That the Government has not changed the policy of the late Government in handling the situation, so that we are simply pyramiding the debt of the National Railways to the public, that is what it is. I just wonder how long this sort of thing will continue.

Mr. DUFF: Nobody knows.

Mr. FRASER: Capitalizing deficits.

The CHAIRMAN: Capitalizing deficits, because that is what it means, but the more you do it the higher the pyramid gets. Is there any constructive suggestion that can be made in this Committee to deal with a situation so serious as that.

Sir EUGENE FISET: The first suggestion was made last year, that the fiscal year of the Canadian National Railways should be changed, that instead of examining those accounts as we are doing at the present time, we should examine the accounts to be spent in the future, and that can only be done by changing the fiscal year.

Hon. Mr. MANION: Might I state also that the Royal Commission is still sitting and they may offer some suggestion as to some other method, a more constructive method.

The CHAIRMAN: Of course, there is one method, and that is for the Government to pay it in cash, and the country cannot stand it. But there is a second method, and that is the one I am going to suggest for the consideration of this Committee, and if you will bear with me for a few minutes I am going to make a statement. The Dominion Government to-day is on a distressed budget; every province in Canada to-day is on a distressed budget; England is on a distressed budget; the United States of America, the wealthiest country on earth, is on a distressed budget. I suggest the same principle be applied to the National Railways and that only the bare absolute necessities be granted to the railway management during this period of depression. Now, that may not be possible, I don't know enough about it.

Sir HENRY THORNTON: Might I say in that connection, Mr. Chairman, that the budget for the year was first made up by the officers of the company and then fully considered and discussed with the Board of Directors having regard for exactly what you have said; and then was discussed with the Government, more particularly, naturally, with the Minister of Railways, and finally, after full consultation on the part of everyone, the final budget as you find it here, was adopted, and I think certainly every effort was made on the part of all concerned to meet the very points that you have raised. Nothing has been adopted in connection with to-day's budget that has not had the full consideration of the Board, and the Government itself as the proprietor.

The CHAIRMAN: Well, it does seem to me that it is up to this Committee to make some suggestion or to admit that we haven't any ideas on the subject at all. Now, this is something that I have thought over.

Mr. DUFF: Should not we wait until the Royal Commission reports?

The CHAIRMAN: Well, of course, that is a nice easy way of sliding over responsibility and passing the buck, although I have no doubt they are much more qualified than we are.

Mr. DUFF: That is what I mean, Mr. Chairman. They have more time to go into the different aspects of it, and they are supposed to do it thoroughly.

The CHAIRMAN: But I would like to throw out this thought to the Committee and to the public, that this railway company be put on a distressed budget until this period of depression is over. It may not be possible to do very much more than what has been done, but there is a suggestion for you anyway.

Mr. MACMILLAN: Does not this budget, Mr. Chairman, represent what you might call a distressed budget?

Sir HENRY THORNTON: We regard it so, because I have been in almost weekly conference from time to time with the Minister representing the proprietor with respect to the financial position. It has been given most anxious consideration by our own Board of Directors, and, as I explained a moment ago, the budget as presented to you here to-day represents the mobilization of all the thought which the responsible officers of the company, the Board of Directors, and the Minister himself can bring to bear.

I might also say to you—which you probably already know—that all of this has been exposed to the Royal Commission. They have asked for the most searching details with respect to possible economies, the financial position and everything else relating to the transportation industry in Canada. They have at their disposal now full and complete information on the whole subject, and, as the Minister has pointed out, they are dealing with it, and I understand, from what I have heard, they are giving it the most anxious consideration, and I suppose that before very long they will probably have some suggestion to make; but I think the Minister will agree with me that this budget, as we have presented it here, represents—I can only put it in this way—the combined intelligence of all who have any concern in the matter.

Hon. Mr. EULER: There are a number of possible remedies, of course. The one that you suggest might result in a satisfactory service, and again a service that would not at all be satisfactory. It may be that we should have a heavier taxation of the Canadian people and pay the deficits out of taxes, but to my mind what we have got to face—and I imagine the Royal Commission perhaps will have something to say about that—is the heavy losses of the railways, both railways if you like, due to the fact that they are obliged to spend more money than would be necessary if there was no competition. Now there, we are coming back again to the suggestion made before in the House, that there must be something done by way of joint management. I am not prepared to support the suggestion that was made in the House the other day that there should be a temporary commission.

The CHAIRMAN: Who made that suggestion?

Hon. Mr. EULER: I think it was Mr. Hackett. He may be right in principle. I certainly think that he is. They say competition is the life of trade, but as far as the railways are concerned it is the death of the railways. Co-operation is the better. What we have to get rid of, in the final analysis, is waste that we have because of competition and, of course, you come down to the question: How are you going to cut that out? Some people think that the railways can be run as separate entities by one Board, if you like, and thus

cut out the waste. Personally, I don't think that is possible. Possibly some good can be served by discussing amalgamation of the roads. There are those people who are opposed to monopoly of any kind. Perhaps these things should be said in the House, but you have invited this discussion. Personally I am opposed to private railway monopoly. I have certain objections perhaps to the other, but I have never been able to see where a publicly owned monopoly can have all the sinister features that we have under private monopoly, because in the one case private ownership is the making of profit whereas public ownership is the maintaining of service at the lowest possible cost; but because of competition, the maintaining of duplicate service—and you could enumerate them almost by the score—that is what is causing the trouble, that is the waste, and that waste probably runs all the way from sixty to seventy-five million dollars a year. If that could be got rid of then you might see some hope for the railways even now, and with the return of better times, why conditions might be fairly satisfactory. I think that is what the country has to face ultimately.

Hon. Mr. MANION: I do not wish to say very much, Mr. Chairman, although I do not think it is passing the buck to wait a bit for the Royal Commission to make their report. They have been sitting on this question now since December and we are hoping they will make a report in plenty of time at least for the next session.

Mr. GRAY: You do not think there is any hope of a report this year?

Hon. Mr. MANION: No. In any event—although I am in no way directing the Commission—I do not think it would be for the good of the railways or the country to get the report hurried through and presented to the House say in the last few days of the session. My feeling is that whatever report they make —and I have no more idea of what their report will be than any member of the Committee—I hope it will be so important that it is worth while—so that the people of this country, of all classes, whether they believe in private ownership or public ownership, or a combination of both, should have plenty of time to mull over the report and think about it and discuss it. But may I say in regard to the budget, the attitude the Government has taken is this: Naturally, as Minister, I cannot be very familiar with the technical drawing up of a railway budget; and while I agree with what Sir Henry Thornton has said entirely, so far as his suggestion that it was the best thought of all concerned, my thought on the subject is really a very general thought, that under present financial conditions it is very important that the railway be as economically operated as possible without interfering with its efficiency. And I think that is the attitude that every railway on this continent is forced to take to-day for the very same reason: Therefore, that is the attitude that we have asked the management to adopt.

I do not know what the Chairman means by a distressed budget, but we have asked them to be as economical as possible in every way; and I don't mind saying quite frankly there are economies yet that can be made. The directors and the management have certainly brought in a budget that is a very big decrease on the one brought in last year. Last year the combined total of it, including the Merchant Marine and so on, and including capital charges of one kind and another amounted to $112,000,000. The corresponding figures this year amount to about $71,000,000, a difference of $41,000,000. Quite a decrease it is true. And when you realize that even at $71,000,000, it means the raising by the Government in some way, whether by guaranteed bonds or by taxes on the people, of over $5,000,000 per month, over a million dollars a week, in fact nearly one and a half millions a week, it shows the seriousness of the situation. I do not think I can add anything to that; but the Government's attitude has been to ask the management to give us the strictest economy without interfering with the efficiency of the road. That in brief, is what we have asked, and I

think that is the attitude the Canadian Pacific is taking under much the same circumstances, and all the railways in the United States are taking the same attitude, under similar circumstances. I do not know that there are any questions I can answer.

Mr. FRASER: How much has the budget been cut down this year over last year? They have the operating budget here. How does it compare with last year's estimates?

Mr. FAIRWEATHER: Our actual operating expenses last year were $169,688,008.47, for a gross revenue of $117,273,738.

Mr. HEAPS: What does it include, Mr. Fairweather?

Mr. FAIRWEATHER: Railway operating revenues and expenses.

Mr. HEAPS: Railways only?

Mr. FAIRWEATHER: Yes, railways.

Mr. MACMILLAN: Eastern Lines?

Mr. FAIRWEATHER: No, that excludes Eastern Lines. The Eastern Lines are different altogether. This year we budgeted for operating expenses of $139,304,000 for gross revenues of $157,248,000.

Mr. MACMILLAN: Exclusive of Eastern Lines?

Mr. FAIRWEATER: Exclusive of Eastern Lines. Last year our actual revenue from railway operations of $177,000,000 gross was $7,585,729. This year we budgeted our net revenue from railway operations of $17,944,000 with $20,000,000 less revenue.

Mr. MCGIBBON: May I ask the Minister how much deferred charge there would be in the $71,000,000——

Hon. Mr. MANION: How much deferred charges?

Mr. MCGIBBON: Yes. They have not done anything this year in the way of maintenance——

Hon. Mr. MANION: I presume that is true of all railways at the present time; a great many of them are deferring a certain amount of maintenance. I presume that is true.

Mr. MCGIBBON: What amount would that be?

Hon. Mr. MANION: The management will have to answer that themselves.

Sir HENRY THORNTON: That is a pretty difficult question to answer, Mr. McGibbon. You have to estimate first what the standard of maintenance is that you are going to adopt, and adhere to, and secondly, how far you can safely and reasonably depart from that. Now, that becomes a matter of technical and professional experience.

Mr. MCGIBBON: I thought from your experience you could tell.

Sir HENRY THORNTON: I am just coming to that. You might say probably in round figures this budget represents in one way or another something like $4,000,000 of what might be called deferred maintenance. But that is purely a matter of judgment. For instance, a branch line might possibly under heavier traffic conditions have been maintained to meet that traffic. Now, the traffic falls off, and you allow a certain amount of deferred maintenance to accumulate, but on the other hand, you have not the traffic to justify the expenditure. It would be wasting money to do so. After all, the real thing that a railway engineer has to decide is to build a thing or maintain a thing only so well as circumstances require. If he spends too much money or too little money he is making an error. You have to maintain your property in all the different parts of the property as well as circumstances require, and no more.

Mr. MCGIBBON: I quite understand that. Would you have to come back in the future and make up some of that? For instance, in discussing the National

Railways the other day, it was disclosed that $70,000,000 of deferred charges during the war had to be made up afterwards.

Sir HENRY THORNTON: I do not remember that.

Mr. FAIRWEATHER: Yes, I made that statement. The statement is substantially correct.

Mr. MCGIBBON: Would the same thing be going on now, and you would have to come back and spend more money in future years?

Sir HENRY THORNTON: You have to remember deferred maintenance does not always charge the same rate of interest. The future does not always charge the same rate of interest. In other words, you can defer a certain amount of maintenance without incurring too serious consequences, but if you go beyond that point, then you may run into a very heavy rate of interest for the future. What the Minister has said is quite true in this sense. While h edid not go into the details of this budget, or anything of that sort, but at the same time as representing the proprietor, the proprietor's instructions were that not one dollar was to be spent on capital expenditures of that sort that could possibly be deferred, and it was left——

Hon. Mr. MANION: Without interfering with the efficiency of the road.

Sir HENRY THORNTON: It was left to the judgment of the officers of the company, from their professional experience, to see how far we could go in that. In other words, it was the opinion of the proprietor that he did not want his property reduced to any irretrievable, hopeless position, and that good judgment and prudence would have to be exercised, and that is exactly what we have done with respect to this budget.

Hon. Mr. MANION: May I ask you a question in regard to that? I want you to be quite frank in your reply. Has there been any strangling or crippling in any shape or form concerning the running of the road, or anything of that sort?

Sir HENRY THORNTON: No; I say quite frankly the administration of the expenses and the maintenance of the property, reduction in train services and things of that sort were left to the judgment of the management; but it was impressed upon us quite frankly, and we are in accord with that point of view, that every conceivable penny must be saved to-day under capital and expenses. And that is what the officers and myself have tried to do, to the best of our experience and knowledge.

Mr. MCGIBBON: May I ask you another question? You say you have four millions, just for the sake of argument——

Sir HENRY THORNTON: This is my——

Mr. MCGIBBON: Just for the sake of argument, supposing you have a certain amount that may go for a good many years without costing a great deal for maintenance, at the end of two or three years will that require, say, for the sake of argument, $4,000,000 more than it normally would to keep it up to a high standard of maintenance?

Sir HENRY THORNTON: They would not, say, two or three years ago, but again, on the other hand—and it is so difficult to explain those things consistently—on the other hand, if we could get an increase of traffic, if there should be a return to something like normal times, we would not feel this burden at all; we could easily take care of it. I should say that with a return to even almost a shadow of normal times, we will be able to make more money on this railroad than we have ever made before, because experience is a stern teacher, and we have learned a good deal. We have found different ways of doing things, better ways of doing things. Every man is supposed each year to do his job a little better than he did the year before. We are finding new ways, new sug-

gestions are being made, and with a return to—well, I should say for instance, if we ever get back to around $300,000,000 gross earnings, my estimate would be that our net would be something like $75,000,000. But here we are with a gross revenue of just about half this year what it was in 1928, and you cannot overtake such a heavy reduction in gross revenue as that unless parts of the line are closed up and things of that sort are done. When you stop to consider closing the lines, you must remember people have been induced to settle on those lines; they have established their homes, and it is extremely difficult, if not impractical, to withdraw transportation facilities from them altogether. If we had known some twenty years ago, say, what the situation was going to be to-day, there would have been less mileage built in Canada than now exists. However, that mileage is here; people have come and located themselves on the road, and you cannot withdraw from them transportation facilities.

Mr. POWER: Would this be the proper time, Mr. Chairman, to enquire what steps have been taken by the road to eliminate competition?

The CHAIRMAN: I think it would be quite germane. I certainly welcome discussions of this kind because I think, irrespective of the fact that the Royal Commission is sitting on the whole question of transportation, that the House of Commons and the people of Canada will expect this committee not to pass the buck, but to face as far as we are able the difficult situation that is in front of us. I threw my suggestion out as a basis for the discussion. I would be glad to have the views of every member of this committee. Mr. Euler has been good enough to give us his. Every member ought to turn his attention to this problem, not to arrive at any conclusion this afternoon, but before we present a report, let us say something about this difficult problem.

Mr. POWER: May I ask Sir Henry to explain to the committee what arrangements were entered into with the C.P.R. in connection with ocean freight service?

Sir HENRY THORNTON: Yes; I shall be glad to explain that.

Mr. POWER: What the advantage was, if any, to the Canadian National Railways?

Sir HENRY THORNTON: The Canadian Pacific Railway, as you know, operates a large and important fleet of vessels on the Atlantic, to which in recent years they have made very considerable additions, and which represents to-day probably fully as effective ocean transportation facilities as there are on the Atlantic. The Canadian National Railways had no such modern equipment, nothing at all which compared with the ocean services of the Canadian Pacific. We had certain arrangements with various other steamship companies, which in the stress of depression, seemed to us expensive, and our feeling was that if we had a Canadian company such as the Canadian Pacific, well equipped with a number of vessels, that in the interest of the Dominion itself and the two railway companies themselves, we would be very much better off, the Dominion as a whole would be better off if we could come to some arrangement with the Canadian Pacific to recognize their ocean services, as in general the ocean allies, the ocean services of the Canadian National. So, rather protracted negotiations and discussions took place between responsible officers of the companies, and subsequently between Mr. Beatty and myself, and eventually we arrived at a contract which was executed between the two companies, whereby we, in effect, to take a short cut to it, regard the Canadian Pacific as the ocean arms, so to speak, of the Canadian National Railway.

Now, that has worked out quite satisfactorily as far as the Canadian National Railways are concerned, I should think fully as satisfactory as any previous arrangement which we might have had with any other company, and I am not violating any confidence when I say that in talking to Mr. Beatty a

few days ago, he expressed the point of view that it was equally satisfactory to the Canadian Pacific. It had the effect of softening the wind of depression to the Canadian Pacific as much as it had to the Canadian National. You see the difficulty that we had previously was to get continuity of sailings from Maritime ports during the winter time. It is no good putting on a lot of vessels in the summer time, taking care of all competitive traffic that is offered, and then have that service diminished or largely disappear in the winter time, and your shippers drift off to other lines of transportation, and then the following summer try to get them back again. What we were striving for was, with other steamship lines apart from the Canadian Pacific, the assurance of a continuity of service which would enable us to go out and solicit business continuously, winter and summer. We never got very satisfactory results, but the Canadian Pacific were able to offer us continuity of service, and for that reason we executed our contract with them, and I say without any hesitation at all, that I think it has been an excellent thing for the Canadian Pacific, for the Canadian National, and for Canada itself.

Mr. DUFF: Was the contract made on reasonable rates?

Sir HENRY THORNTON: Entirely, a very fair and reasonable contract; otherwise it would never have been entered into on either side.

The CHAIRMAN: Does it take care only of the export freight, or has it anything to do with import freight?

Sir HENRY THORNTON: Well, it takes care of both movements, of course.

Mr. DUFF: Both freight and passengers.

Sir HENRY THORNTON: Yes.

Mr. MCGIBBON: I presume you have to pay the C.P.R. for calling at Halifax?

Sir HENRY THORNTON: No.

The CHAIRMAN: That is one point I should like to mention. They have to pay the Cunard line $200,000 a year to call at Halifax.

Sir HENRY THORNTON: No; we pay the C.P.R. no such amount at all.

Mr. POWER: You had to pay the Cunard line $200,000.

Sir HENRY THORNTON: That was right.

Hon. Mr. MANION: May I just make a remark in regard to the point the Chairman makes and which I think Sir Henry left out, and which was to his credit. He came to me on one occasion and mentioned that they were paying $200,000 for that service—I think there was another line besides the Cunard—

Sir HENRY THORNTON: The White Star.

Hon. Mr. MANION: The company figured that they were just losing that $200,000; in other words, it was a dead loss. He asked me my opinion, and it was further discussed, he and I talked it over, and decided that the railways should discontinue the subsidy, which they did, and they entered into the contract with the C.P.R.

Mr. POWER: They entered into the contract with the C.P.R. What do they pay the C.P.R.?

Sir HENRY THORNTON: We do not pay the C.P.R. anything.

Mr. POWER: What about the import freight?

Sir HENRY THORNTON: We do not pay anybody anything.

The CHAIRMAN: Do the Cunard line and the White Star line still continue to call at Halifax?

Sir HENRY THORNTON: I think they do.

The CHAIRMAN: Are you supplying them any freight?

Sir HENRY THORNTON: I think they take some of our freight, naturally.

Mr. POWER: In operating the arrangement with the Cunard and the White Star lines, did you get import freight from those two lines?

Sir HENRY THORNTON: Up to a point, yes. Of course, the route which the import freight followed, depended a good deal upon the solicitation in the country of origin.

Mr. DUFF: Did you not get all the freight coming from the Cunard and White Star?

Sir HENRY THORNTON: No; we did not get it all. We used to get a good deal. A fair amount of freight from the C.P.R. boats as well, simply because ocean freighters cannot control entirely the rail route on this side.

Mr. DUFF: How did the C.P.R. handle freight to Halifax previously to the arrangement they made with you last year? I thought you handled all the freight up to last year when you made your arrangement with the C.P.R.

Sir HENRY THORNTON: From Halifax?

Mr. DUFF: Yes.

Sir HENRY THORNTON: We did, I suppose.

The CHAIRMAN: There was a certain amount routed, perhaps, via Saint John.

Sir HENRY THORNTON: Yes.

The CHAIRMAN: The C.P.R. of course, would be routed west via Saint John.

Mr. DUFF: All that landed at Halifax went over the C.N.R. line.

The CHAIRMAN: To a certain point.

Sir HENRY THORNTON: It might and might not. If you go by the D.A.R.

Mr. DUFF: Not much on the D.A.R. to Digby.

Mr. FAIRWEATHER: No, not very much.

Sir HENRY THORNTON: Of course, any freight could be routed as far as Montreal and then turned over to the C.P.R. There is no question of that.

The CHAIRMAN: Or any of the gateways.

Sir HENRY THORNTON: Yes.

The CHAIRMAN: I think that is what actually happened.

Mr. DUFF: What arrangement have you now with the C.P.R. about handling their freight from Halifax? Do they send their own train through?

Sir HENRY THORNTON: No, only for passengers.

The CHAIRMAN: It is their rolling stock and you man the train?

Sir HENRY THORNTON: Yes. They have running right into Halifax. They provide rolling stock and we handle the trains for them.

The CHAIRMAN: They use your locomotives?

Sir HENRY THORNTON: Yes. We use our locomotives.

Mr. DUFF: There is no C.P.R. freight lands at Halifax?

Sir HENRY THORNTON: No. I do not think so.

The CHAIRMAN: Are they using you fairly well under the new arrangement?

Sir HENRY THORNTON: Yes, entirely. It may seem almost like asking you to believe it or not, but both roads—the officers of both systems are perfectly satisfied with the present arrangements. I say believe it or not.

Mr. McGIBBON: Following that idea up, would it not be possible to extend that system to make some joint agreement, for instance, with regard to your passenger trains. I came up with the train yesterday from Toronto. I do not think there were half a dozen people in the car I was in. There seemed to be a terrible loss there. Two or three hours afterwards the C.P.R. starts a train and comes up too. It seems to me the railroad should get together to eliminate some of these passenger trains. Could they not arrange it some way that the C.P.R. could run one day and the Canadian National the other day, or something like that?

Sir HENRY THORNTON: Of course, there is a great deal of intelligence in that thought. You only get the maximum of economy—

Mr. McGIBBON: I am afraid that statement applies to something else.

Sir HENRY THORNTON: All square at the turn, doctor.

Mr. McGIBBON: You must be wrong.

Sir HENRY THORNTON: What I was going to say was this. You never get the maximum of economy in the elimination of competition from passenger services until you pool revenues; and I have been anxious—when I say I, I mean the Canadian National—we have been anxious to pool revenues between certain points such as Toronto and Montreal and other important points, Ottawa to Montreal, for example. But that is not quite as simple as it looks, because while these railways run generally from Toronto to Montreal they do serve certain sections which one serves and the other does not, and there may be towns on one railroad which are not open to the other. That whole question, of course, is one which I can say to you from my own knowledge is very much under the consideration of the Royal Commission. We have talked with the C.P.R. considerably as to what we can do, and, again, without wishing to pass any bucks we have rather thought it better to wait and see what the Commission was going to propose because we confidently expect something of a constructive character in a thing so very long standing, before we make any commitments which would possibly have been no sooner made than completely altered. But there is no doubt at all. If you take the passenger business on the North American continent, I do not care where it is, a maximum of economy ensues from pooling your passenger revenues. Then you can adjust your train service to meet the requirements of the public and carry the public at minimum cost. Now, in England that has been done very extensively. I suppose there are hardly two important points with respect to which there is competition and with respect to which there is not pooling of revenue: Take between London and Edinburgh, London and Glasgow, London and Liverpool; practically all of that service—those important passenger services are pooled and it has worked out extremely well and has been a great source of economy to railways with no inconvenience to the public. In the United States, unless the laws have been changed very recently, the Interstate Commerce Act has prevented pooling of revenues on the doctrine that it was a combination in restraint of trade, which it is not at all; but the Americans are coming to that point of view now, and there is a very decided movement in the States to relieve the railways of that difficulty. Fortunately, we have no such law in Canada. We can, if I am correctly informed, pool wherever it is found wise, and there is no doubt about it that that is the thing to do and that is what we have got to do, and the sooner we come to it the better.

Mr. McGIBBON: That is what I have thought for some time. I realize that there is a public opinion here that is against amalgamation of these roads, either under public ownership or private ownership. I do not believe we will ever get away from that. There is a lot to be said on each side. If we get private ownership one man says it dominates the Government; if we have public ownership, it has the same effect, but it does seem that in times of depression

like these when we have only so much business we have got to do it in the most economical manner possible to get the greatest profit. If that could be done and the revenues properly proportioned, it seems to me to be better for each road to get out of this slough of despond and depression. I will not say how it should be done.

Sir HENRY THORNTON: I respond heartily to everything you have said; it is entirely true.

Hon. Mr. CHAPLIN: Why should there not be some effort at economy in the matter of expense in regard to offices and matters of that kind? Why should these two railway companies have an office down on Sparks street to sell tickets when they have the station within two or three blocks away? Why should you have the same thing in the city of Toronto and in almost every other city in Canada when there are only the two of you? It seems to me that there is lots of room for economy in that direction.

Sir HENRY THORNTON: Now, that too has a great deal in it; but, of course, competition is competition. If one railway maintains an uptown ticket office conveniently located to get the business the other railroad has got to do the same thing or lose the business. If it is necessary as a public convenience to have an uptown ticket office I should say there ought to be a joint uptown ticket office. In certain cities in the United States, New York, for instance, I know a number of the railways are entering New York at one time, and I think they still have a point ticket office. What Mr. Chaplin says is quite right, and we would be very glad to get rid of this, and I think we will before very long.

Hon. Mr. EULER: Something similar to union stations in the various cities.

The CHAIRMAN: In the city of New York, in the Grand Central station, do they not at the one place sell tickets for every system that is using the Grand Central terminals?

Sir HENRY THORNTON: Oh, yes. Am I right in that, Mr. Burnap?

Mr. BURNAP: Yes.

The CHAIRMAN: And that is where the porters of the hotels go to get their tickets. I think there is a great deal to what Mr. Chaplin said. Here is the Canadian National with its union station down the street. They maintain a ticket office there and they have another one in the Chateau Laurier and another one on Sparks street, and the C.P.R. have a ticket office in the union station and they have one on Sparks street also. There seem to be numberless opportunities for economies in relation to matters of that kind.

Sir HENRY THORNTON: That is exactly where the economy comes in there in the form of co-operation, running from simple co-operation up to an amalgamation.

Mr. MACMILLAN: That is being studied by the Royal Commission.

Sir HENRY THORNTON: I understand that is being gone into very carefully and I understand it is gone into carefully because we have been producing statistics.

The CHAIRMAN: They have been asking for them?

Sir HENRY THORNTON: Yes, they have been asking for them.

Mr. FRASER: What about the joint operation from Kamloops to Vancouver of the two lines?

Sir HENRY THORNTON: That is a matter I cannot answer you about. That, I think, has been one of the things that have gone to the Commission to be considered.

Mr. POWER: Sir Henry, how far have you got in the way of elimination of competition of passenger services in Ottawa? What has been done?

Sir HENRY THORNTON: Well, not anything further than the reduction of something like 4,000,000 miles which was given this morning.

Mr. POWER: Now, what has the C.P.R. done?

Sir HENRY THORNTON: I do not know how many——

Hon. Mr. MANION: I think they claimed about the same reduction, perhaps, in proportion to the mileage of the railway.

Sir HENRY THORNTON: Mr. Burnap, do you know how many passenger miles the C.P.R. took off?

Mr. BURNAP: No, I do not know.

Mr. POWER: Was not that arranged by conference?

Sir HENRY THORNTON: There was a certain amount of conference between the two companies.

Mr. POWER: I am taking the instance of Quebec to Montreal. There has been a feeling in the city of Quebec that in this elimination of competition the C.N.R. allowed the C.P.R. to take advantage of them. Now, I am wondering whether that was after a conference with the officers of the Canadian National, or if you each——

Sir HENRY THORNTON: I have heard that. On the other hand, the Canadian Pacific have wanted us to take off our six-hour trains between Montreal and Toronto, claiming we are getting the best of it there. Perhaps we are. Well, you cannot get the best of it everywhere. You certainly ought not to get the best of it everywhere.

Mr. POWER: Do you say "We will agree to eliminate one service if you will agree to eliminate another." Or is there anything like a dicker or agreement made between the roads?

Sir HENRY THORNTON: I did not handle personally those negotiations so I do not know. That matter was handled by the passenger department. I did not myself handle those negotiations.

Mr. POWER: But surely you must know. Sir Henry, if there was a quid pro quo, or anything of that kind?

Sir HENRY THORNTON: Can you answer that question Mr. Burnap?

Mr. BURNAP: We did suggest the possibility of some reductions being made in the passenger service between Montreal and Toronto and between Montreal and Quebec and between Montreal and Ottawa. As the result of those negotiations each road took off one train between Montreal and Ottawa. Also the result of those negotiations the C.P.R. lengthened out the running time of two trains, one from Montreal to Toronto and the other from Toronto to Montreal so that we might discontinue a train between Montreal and Belleville in either direction.

Sir HENRY THORNTON: Both directions?

Mr. BURNAP: Both directions. I might say further, perhaps, apropos of this discussion though not in direct answer to the question, that as regards these excursions which are now being operated there is a free inter-change of views between the two roads as to the rates which will apply and as to the cities between which excursions will be run and the dates so that there will be no conflict and no competition between the two roads at about the same time between the same points. It is all done in a spirit of co-operation.

Hon. Mr. MANION: In regard to these excursions I notice that some of your rates are perhaps 25 per cent of what they are for ordinary tickets? Do you make money on those excursions when you keep the rates as low as that?

Mr. BURNAP: Handling humanity by the carload, yes; our earnings per train mile are very satisfactory.

Sir HENRY THORNTON: The secret of making money in the passenger business is filling the train.

Hon. Mr. MANION: You have cut it down to 25 per cent in some cases and that made me wonder.

Hon. Mr. EULER: May I ask a question? Perhaps this will prove difficult for Sir Henry to answer, but I think it is practicable. For a good many years through this committee and otherwise it has been suggested that we should get together as much as possible to eliminate service. I should like to ask Sir Henry how much he thinks has been saved to the Canadian National Railways by what has already been done and also how much he thinks could be saved if there were one central management, by way of merger if you like and making it as complete as possible. I know I am asking something difficult, but estimates have been made with some authority. Would it be $50,000,000 or $60,000,000? Supposing there were one management of the two roads; they were being run as one?

Sir HENRY THORNTON: I might attempt to answer the easier question first, but in answering this question I want it to be distinctly understood that I am simply giving you an economic point of view, an academic point of view, and I hope no one will use this in any other way than a simple statement.

Hon. Mr. EULER: As a business proposition.

Sir HENRY THORNTON: As a business proposition. Leaving out any question of strategy or relief from monopoly or anything else, simply taking the bare figures. I will go back a little. Several years ago, I think it was long before I came to Canada, I am told that Lord Shaughnessy estimated that if what is to-day the Canadian National and the Canadian Pacific were operated as one entity there would be a saving of something like $50,000,000 a year. I do not suppose for a moment that he expected that that would fructify in the first year or all in the second year, or all in the third, but it would commence in the first year and increase year by year. I find it a very difficult question to answer, but I should say that probably Lord Shaughnessy's estimate was not far wrong. The fruits of amalgamation are more or less elusive in some ways. For example, the Railway Consolidation Act which was passed in England in 1919, I think it was, and which amalgamated some 125 or 150 companies into four companies anticipated—as a result of that Act it was anticipated there would be larger savings, but when they came down to actually realize those savings they found it much more difficult than was imagined at first. For instance, we have always considered that a certain number of officers would become redundant—men who have reached the age where they cannot find employment elsewhere and still have a certain prospective earning life before them —well, these men, whether they be officers or trainmen or employees cannot over night be thrown onto the street.

Hon. Mr. EULER: That will correct itself in time.

Sir HENRY THORNTON: Yes, in time attrition plays its part and you gradually work the redundant officers out. But when you ask me the straight question how much can be saved, from an academic point of view by combining these properties under one management, I should say that $50,000,000 was probably pretty close to it. That is to the best of my judgment. Now half a dozen people can take this thing and give you half a dozen different figures without knowing what Lord Shaughnessy's figures were. I mentioned $50,000,000 to the person I was talking to who happened to be a C.P.R. officer, and he said, "That is exactly what Lord Shaughnessy said seven or eight years ago." Well, I suppose we regard Lord Shaughnessy as a capable railroad man, and I rather flatter myself that in a run-and-jump estimate I have hit pretty close to his figure. But anyway, whether it is $50,000,000 or $40,000,000 or $60,000,000 you can say that a very considerable sum of money can be saved by so doing, by straight

amalgamation. Whether it is wise or not, whether it is in the interest of the country or not, I express no opinion whatsoever; I am simply answering your economic question, and it may be that I have not answered it very conclusively, but it is the best I can do.

Hon. Mr. EULER: I just wanted you to make an approximate estimate.

Sir HENRY THORNTON: Mr. Euler, I just wanted to check up that figure I gave you, and I would be prepared to stand by that as a fair figure. Now, you might get more than that out of it.

Hon. Mr. EULER: I heard the estimate made considerably higher by those who know.

Sir HENRY THORNTON: In giving you a figure of that kind I would necessarily have to give you a conservative figure and a figure which I felt could be realized, not a figure that I thought perhaps might be realized.

Hon. Mr. EULER: Now, I would like to ask this further question, although you have not answered the other question, as to what has actually been saved. A suggestion has been made that the two roads could be operated by one Commission but that the two roads should remain absolute separate entities. My own opinion is that that would not be particularly practicable, but I would like to have your opinion as to whether any substantial saving could be made, with an amount given if you can, by a method of that kind.

Mr. CANTLEY: Before the answer is given, I protest against wasting the time of the Committee with hypothetical questions of this kind that have no bearing at all on the whole question, that are impossible of realization.

Hon. Mr. EULER: You can protest all you like. If the Chairman says it is not in order, very well. I think it is absolutely in order, of course. He introduced the question of a Commission that might be able to save the railways.

The CHAIRMAN: I certainly think the question is relevant.

Sir HENRY THORNTON: Well, Mr. Chairman, I would like to be excused from answering for this reason, and I think you will all see the point—I know perfectly well that the Royal Commission is considering important aspects of this whole transportation problem. I have already—and Mr. Beatty also—been asked to give certain views, and I would like to be excused, not because I want to be anything else but frank with this Committee from answering a question of this sort which some day before long may be put to me by the Commission itself.

Hon. Mr. EULER: Could you give an answer to the other question.

The CHAIRMAN: Let us say this, that that position is sub judice.

Hon. Mr. EULER: Could Sir Henry give a reply to the other question as to how much has been saved to the Canadian National Railways by reason of cooperation between the two roads?

Sir HENRY THORNTON: I don't think I could answer that off hand, Mr. Euler.

Mr. FAIRWEATHER: I might say, Mr. Euler, with regard to that, as a matter of my own information I attempted to review railway history in Canada to see what results could be ascribed to co-operation between the railways in so far as it had developed, and I found that the trail led away back into the eighties; that there has always been a degree of co-operation, sometimes forced by economic conditions, sometimes perfectly voluntary, and it is impossible at this time to say what the economies resulting from sane commonsense co-operation have amounted to, but they have amounted to a lot. Just take, for instance, the situation in Montreal Terminals. There we have between the Canadian Pacific and the Canadian National, an arrangement for joint switching to all

industrial leads. Instead of each railway sending a switching engine to serve the industry on certain joint spurrs one railway does the work and bills the other. That saves a very considerable amount of money. I can multiply instances like that almost by the hundred. There has been, as a matter of good business, a very large degree of co-operation already. I would say that when you get outside the field of that competition which shows to the public, the railways have made a very earnest effort to organize their business co-operatively.

Hon. Mr. EULER: I understand that. I am not finding any fault with that, but that does not get very near to what I was trying to find out. I was thinking of the period, perhaps the last five or six years, since this Committee has definitely made the recommendations that co-operation might take place. Is it more than a fraction of the $50,000,000 that was spoken of by Sir Henry?

Mr. FAIRWEATHER: I think it is more than a fraction, Mr. Euler. It is an awfully hard thing to answer that question precisely in figures, but I would unhesitatingly say that it is substantial in amount.

Hon. Mr. MANION: I wonder if I could say a word or two about a couple of these matters that have been discussed in regard to co-operation. I don't mind saying frankly that, in my opinion, as Minister—and I have looked it over pretty thoroughly—there has not been the co-operation to the extent that there should have been. I don't blame anybody for that; I am not blaming the Canadian National or the C.P.R. for the lack of understanding of some kind. The case that Mr. Chaplin mentioned regarding ticket offices comes to everyone's mind. There must be a possibility of great saving by some sort of co-operation or elimination in that regard. I just wanted to say that, but again that is a matter which, as Sir Henry Thornton has pointed out, is being considered seriously by the Royal Commission, and I certainly hope that some remedy will be offered by the Commission, and that if the railways don't get together there will be some method evolved whereby these things will be eliminated in spite of them—both railways I said.

In regard to the cutting off of services on branch lines—and I mention this because I think it is well to have the record complete—I just wish to say that the Government in no way has been consulted in regard to the elimination of services on branch lines. As a matter of fact, three different branches in my own constituency have had their services cut and I did not even know it until I got the protests. I think it is probably due to the feeling in each constituency, or each section, that there is a decrease in the prestige of the section. I had an instance placed before me the other day by one of the members of the House, and it was not a Canadian National case at all; it was a C.P.R. case, and he was asking my advice as to what he would do. The C.P.R. had a branch line service in his constituency; they had it under a charter which they had taken over some years ago. Under the charter they were forced to give a daily service in each direction, and yet they produced to him a statement showing that they made from $3 to $10 per train, and still the people were protesting vehemently against any cut in that service. I suggested to him that he should have the C.P.R. officers go down and argue it out with the people. I said, surely those people cannot ask the C.P.R. to carry on a service like that. The same thing has occurred with the Canadian National, and, in my opinion—and I have got reports on all these—the Canadian National and the C.P.R. both act in the same way. They have looked over their branch line service and they have found, largely due to motor competition in most cases, that they were losing money, and they cut down the service to something like a service which would not lose too heavily.

I just wanted to make that clear for the sake of the record, that in no way have we been consulted in any manner, shape or form. The management carried out the whole proposals on their own, and I have in no way interfered

with them. When I get protests, as I do, in regard to the elimination or cutting down of service, I simply pass them on to Sir Henry Thornton, and the officers do as they wish with them.

Mr. BEAUBIEN: When you say that, the opinion that exists in Western Canada, as in other parts of Canada, is that the Canadian National Railways have cut their train service by arrangement with the C.P.R. but that the cutting of the train miles on the Canadian National has been much more considerable in proportion to the C.P.R., then that opinion is in error.

Hon. Mr. MANION: I do know this, that there has been a stupid tale going around—and it has even been published in the Press—that the Canadian National Railways were forced, perhaps by us—that was the implication, I imagine—on some occasions to give way to the C.P.R. I simply say that that is an absolutely false statement, because in no way, shape or form has the Government in any way interfered with the Canadian National Railways in regard to those matters. If the management have done anything of that sort then they have done it deliberately themselves, and they would hardly be so stupid.

Mr. BEAUBIEN: In other words, the reduction of the train miles by the Canadian National and the C.P.R. has been done by the officials of each railroad based on the economic conditions as they exist to-day?

Hon. Mr. MANION: Absolutely.

Mr. BEAUBIEN: I think that should go out to the public.

Hon. Mr. MANION: It is absolutely and totally correct.

Hon. Mr. CHAPLIN: In line with what the Minister has just said, I want to tell the Committee what took place in my own riding. The Canadian National Railways had twelve miles of line between St. Catharines and Niagara Falls. Ten or fifteen years ago the earnings on that line amounted to $60,000. They fell to $10,000. The reason for it was that the people throughout the district were moving just as much freight but they were doing it with their automobiles, and they asked what effect it would have to eliminate that line. I saw the statements. I never asked anybody, but simply said, if that is the condition close it up. If you want to close it I will take the responsibility of it with my own people. If my own people were not using the road they would have no kick at all to it being closed up; and it was closed. As a matter of fact, it is closed now. They are not worrying about it. I haven't had one solitary complaint. They had no right to complain. However, it is closed up; quite a loss as far as the road is concerned.

Mr. MCGIBBON: Sir Henry will remember, I brought up the question some time ago about self-propelled cars. Now, there is one of those going through my riding and it is giving very satisfactory service on a branch line. I made it my business to travel on it the other day, and I asked the conductor how much it was costing. Well, he said, we travel 150 miles for $6.25 and, he said, there are only three men on the train. Now, there is a baggage car, and a place for express parcels, and one ordinary day coach. That looks to me as if that would reduce your operating costs because if you can run a car for 150 miles for $6.25, with three men, it seems to me that that would help to solve your problem.

Sir HENRY THORNTON: That is perfectly true, and I am glad to have confirmation of my own statement by Dr. McGibbon. He is quite right about that, and the introduction of such vehicles as he has mentioned represents one of the material sources of economy that we can pursue considerably.

Mr. MCGIBBON: And give the people service?

Sir HENRY THORNTON: And give the people quite a satisfactory service. Now, I think I explained at a previous meeting how we developed this diesel

electric vehicle and it has proven eminently satisfactory. And, incidentally also, that same sort of vehicle can be introduced in certain classes of switching services with great economy, because when a coal burning locomotive is standing still—and a fair proportion of the time a switching engine is standing still—it is still burning coal just about as much as if it is moving; but when a self-propelled vehicle and internal combustion engine stops the engine stops and the oil consumption stops, and there is a very large field for economy in certain classes of switching service by using an internal combustion engine just as there is in the introduction of the internal combustion engine such as the diesel electric on certain branch lines.

The CHAIRMAN: Now, gentlemen, can we pass Exhibit "A"?

Carried.

The CHAIRMAN: Exhibit "B", Summary of Estimated Interest Requirements for the Year 1932. Shall we pass Exhibit "B"?—Carried.

The CHAIRMAN: Exhibit "C", Detailed Statement of Items not Representing Cash, included in Summary of Estimated Net Income Requirements after Interest Charges?—Carried.

The CHAIRMAN: Exhibit "D", Summary of Retirements of Capital Obligations. Then there is Exhibit "D1", "D2" and "D3". Those are obligatory on the system.—Carried.

The CHAIRMAN: Exhibit "E", Acquisition of Securities. Shall we pass Exhibit "E"? Just what is that, Sir Henry?

Sir HENRY THORNTON: That is a ferry service which runs between Muskegon and Milwaukee, and we made a joint operating arrangement with the Pennsylvania Railroad.

The CHAIRMAN: And that is your share of the obligation?

Sir HENRY THORNTON: That is our share of the obligation.

Mr. FRASER: Is that the first contribution to the Dominion Agriculture Credits Company Limited?

Sir HENRY THORNTON: This is the second.

Mr. FRASER: Are they annual recurring assessments?

The CHAIRMAN: For a period.

Sir HENRY THORNTON: That is right. This is the second. They will recur from time to time.

Mr. FRASER: They are annual recurring contributions?

The CHAIRMAN: This company has subscribed for five hundred thousand dollars' worth of the share of that company and they have now paid, I understand, ten per cent of it, and ten per cent to be paid this year. Shall the item carry?—Carried.

The CHAIRMAN: Exhibit "F", Summary, Estimated Capital Expenditures for Additions and Betterments, divided into regions; and those are set out in Exhibits "G", "H", down to "O".—Carried.

The CHAIRMAN: Does anybody want to go into those different items? They are very small and I think they have been cut very well.

EXHIBIT "T", Statement Showing Proposed Expenditures for the Year 1932 on Branch Lines Included in the 1929-1932 Branch Line Construction Program as Passed by Parliament. Brantford cut-off $100,000; Western Region $175,000, and delayed charges included in 1931 $75,000.—Carried.

The CHAIRMAN: Exhibit "Q", Toronto Terminals, $370,000.—Carried.

The CHAIRMAN: How much more will there be to pay on Toronto Terminals?

Sir HENRY THORNTON: This winds it up.

The CHAIRMAN: Exhibit "R", Montreal Terminals, $1,500,230.

Mr. DUFF: Not enough. That amount should be increased.

Sir EUGENE FISET: That million and a half won't go far.

The CHAIRMAN: Have all the land property and damages been paid, or will this pay for it?

Sir HENRY THORNTON: Why this will meet, as I recall it, the immediate necessities, expenses which will necessarily result from closing down the terminals, certain obligations which have been incurred with respect to the purchase of property, and the restoration of streets and viaducts and things of that sort. And this, as I recall it, practically locks it up for such period as may be found wise.

Sir EUGENE FISET: Is that one of the most glaring examples,—if the amalgamation of the two roads have taken place, that this expenditure would not have been authorized by this Committee?

The CHAIRMAN: It never was authorized by this Committee.

Sir EUGENE FISET: It was recommended to this Committee by the House of Commons.

The CHAIRMAN: As a matter of fact I don't ever recall it being before this Committee, and I am borne out in that by Sir Henry Thornton. The whole Montreal Terminal situation was placed before the Select Committee on Railways and Canals. There is no responsibility attaching to this Committee. Does anybody want to ask any question about the Montreal Terminals? We have asked for a statement as to the present position and I believe it is in course of preparation.

Mr. KENNEDY: Are you going ahead with the Montreal Terminals?

Sir HENRY THORNTON: No, it is closed down.

Mr. BEAUBIEN: I suppose that is all under consideration by the Royal Commission?

Sir HENRY THORNTON: They asked for a memorandum on the subject and it was filed with them.

The CHAIRMAN: Exhibit "S", Northern Alberta Railways, General Additions and Betterments. What is that for?

Sir HENRY THORNTON: General additions and betterment to the lines we hold jointly with the C.P.R.

The CHAIRMAN: And that is the minimum requirement for this year. Gentlemen, I suggest that we pass this budget, reserving Exhibit "R" until we get the statement from the management. That is the Montreal Terminals.

Mr. MCGIBBON: Also reserving the right to discuss any of those questions we asked for information on.

Mr. MACMILLAN: Are you through with the business this afternoon?

The CHAIRMAN: This about winds it up. I would like if the Committee would agree to pass this this afternoon so that we might consider it closed except with regard to Exhibit "R" and any other questions that might arise in connection with questions that have already been submitted.

Mr. DUFF: Why not pass it with the reservation that we can discuss anything?

The CHAIRMAN: All right, is that agreeable to the Committee?

Mr. MACMILLAN: Mr. Chairman, I would like to know when the answers to the questions in regard to the New York offices will be here.

Sir HENRY THORNTON: I think that information will be here to-morrow.

Sir EUGENE FISET: Before we conclude, I would like to know if the $11,000,000 provided in the Bill and covered by this estimate on capital expense is to cover expense already incurred.

The CHAIRMAN: I understand that they are commitments not already expended but in course of expenditure, all accruing obligations.

Sir EUGENE FISET: In other words, we are examining those figures in arrears.

The CHAIRMAN: Well, that is partly true.

The Committee adjourned to resume on Wednesday, 11th May, at 4 p.m.

HOUSE OF COMMONS, ROOM 231,

MAY 11, 1932.

The Select Standing Committee on Railways and Shipping met at 4 o'clock p.m., Mr. Hanson presiding.

The CHAIRMAN: Sir Henry, there are a number of requests outstanding: are we able to clean them all up to-day?

Sir HENRY THORNTON: We cannot clean them all up.

The CHAIRMAN: Give us what you have.

Sir HENRY THORNTON: Mr. Rogers asked the number of Americans employed in the Canadian National Railway shops at Winnipeg. The answer is thirteen.

The CHAIRMAN: There is a question on the order paper of the House of Commons by Mr. Price as to the number of American citizens employed by the Canadian National Railway Company in Canada. Have you any information on that?

Sir HENRY THORNTON: That is a question in the House. Mr. Munn asked me this question: "Statements showing the number of ties purchased during the past year, the number delivered and the price paid." The quantity contracted for is 4,428,663; quantity delivered 4,019,965; price paid $2,559,441.34.

Mr. DUFF: Have you the names of the contractors, and the amounts of each contract?

Mr. MUNN: Also the list?

The CHAIRMAN: What day did you put the question?

Hon. Mr. CHAPLIN: Will you tell us what the date is in respect to those contracts. It has always been a rule in this committee that contracts in relation to the present year running should not be mentioned.

Mr. POWER: Tie contracts—

Sir HENRY THORNTON: The question as we have it is this: "Statements showing the number of ties purchased during the past year, the number delivered and the price paid." That is as I understood the question.

Mr. POWER: Have you the names of the contractors and the quantity delivered to each?

The CHAIRMAN: When was this question asked? I am just trying to check up when the question was asked.

Hon. Mr. EULER: Mr. Chairman, would it not be in order to give us the names of those in respect to ties only? I received a letter a few days ago from a small tie contractor, who made this complaint: He stated that the larger part of the contracts, or practically all were given to what he called the big fellows, at prices—I am not going to say there was any discrimination in regard to prices—that the large operators would then sub-let the contracts to what he called the little fellows; that they made those contracts, apparently of such a nature that they could either call upon them to deliver the ties or not; but the small contractors went to work and cut those ties at a very heavy expense, and then found them left on their hands. That is to say, they were not taken off their hands by the big contractors. I am not sure the railway has anything to

do with that, but if that condition exists, and if anything could be done to avoid it, it should be done. It sounded to me like a gross injustice to those small men.

Sir HENRY THORNTON: Personally, I do not know that I am competent to express any opinion about that, Mr. Euler, but we have done this: in the past, and I think more so this year, a certain number of ties were reserved for settlers; that is, those who carried on tie cutting operations as an ancillary occupation to their agriculture pursuits. It has always been thought wise on the part of the company to reserve a certain number of ties to help out farmers and settlers. I do not remember the exact number of ties that were reserved for that purpose, but that has been the practice of the company in the past.

Of course, if we let a contract to a large contractor, he would presumably have the right to make any arrangement that he wishes with respect to a subcontract, and we would have nothing to do with that, unless it were obvious that some distinct injustice was being done. Naturally then, our interference would only be in the nature of moral suasion.

Hon. Mr. EULER: Is there any practice on the part of the railroad itself to deal only with the large contractor, or do they deal with the small ones? It might be much more convenient for them to do that, but I am not prepared to say.

Sir HENRY THORNTON: I rather think that Mr. Vaughan could perhaps answer that better than I, but he is not here this afternoon. I could probably have him if you wanted him. I think, speaking from my own knowledge, that we have given a certain number of contracts to the relatively small contractor, to help them out, but the bulk of the ties probably do go to the larger contractors who are in the tie business.

Hon. Mr. MANION: May I just say a word there. I do not think that this year that is correct. I think that may be true when there were big lots being ordered, but I think this year the number of contractors altogether is between 300 and 350. I do not know the average size of the contracts but 72 per cent of them were under 5,000 ties.

Hon. Mr. EULER: I received a letter a few days ago, in which the particular contractor, whose name I do not remember, stated that it was too late for anything to be done for him anyway. He said he was ruined absolutely, just by reason of making contracts with the large contractors, apparently, under which the larger contractor could call for a specified number of ties, but apparently he was not compelled to do so, or allowed to deliver them. Anyway, they were not taken from him, and he is simply left with a large amount on his hands.

Hon. Mr. MANION: In the past years, leaving aside any attempt or any thought of criticism, both railways were buying probably 20,000,000 ties in some years, the Canadian National Railways and the Canadian Pacific Railway together. In the past year, I do not know what the Canadian Pacific Railway bought. They did not buy very many. They had to cut down their maintenance as much as possible; but the Canadian National bought this year 2,000,000 under the unemployment relief scheme. This has been explained often enough. Last year something under 4,000,000 were bought, so that naturally tie contractors had nothing like the large scale on which to work. I should think that over half of the ties this year, probably two-thirds, have been given to settlers in small contracts, around 1,000 ties.

Sir HENRY THORNTON: I think I mentioned that, doctor, I do not know if you heard me or not, but what I said was this: it had been our practice for some time to reserve a certain number of ties for settlers and farmers for the purpose of helping out their agriculture pursuits. I do not know exactly, as I said, how many were allocated for that purpose this year?

Hon. Mr. MANION: I think much more than half.

Hon. Mr. EULER: The crux of his statement was really this, or his complaint—I cannot vouch for the accuracy of it—that it was impossible for the smaller man to get contracts from the railway, and that the railway preferred to deal with the larger contractors.

Hon. Mr. MANION: They are not dealing with the larger ones this year at all, to any extent.

Hon. Mr. EULER: I merely would like to see, if it is at all possible, a chance given to the small fellow to get a fair share of the business.

The CHAIRMAN: Mr. Munn, you did not ask for a list, according to the minutes. Let me call your attention to the record. In the Minutes and Proceedings, No. 3, Tuesday, April 12th, I find the following—

Mr. MUNN: You had better let me finish what I was going to say.

The CHAIRMAN: I should like to put the matter clearly on the record. "Mr. Munn asked to be supplied with a statement showing the number of ties purchased during the past year, the number delivered and the price paid." Now, that is the clerk's minutes. I do not pretend that is the record, but the record on page 53 is as follows:—

> Mr. MUNN: At the next meeting I should like to have some information from the officials in regard to tie contracts which were placed this past year.
>
> The CHAIRMAN: There is no reason why they should not produce that.
>
> Mr. MUNN: The Railway Committee, I think, authorized the purchase of something like 2,000,000 ties. I should like to have an idea as to the amount of ties purchased, and what price was paid for them, and how many had been delivered.

Now, that is the record.

Mr. MUNN: And the list.

The CHAIRMAN: There is nothing about any list in your question, sir.

Mr. POWER: This matter came up at another meeting, Mr. Chairman.

The CHAIRMAN: This is in response to that request, as I understand it, and the answer is correctly stated.

Mr. POWER: That request was turned down by the committee, because that request refers to the 1932 ties.

The CHAIRMAN: I do not recall that.

Mr. POWER: There was another request, I think, made by Mr. Munn and probably later by myself that information in regard to ties delivered in 1931 be obtained.

Hon. Mr. MANION: May I say this? I have no objection to the list being given. As a matter of fact, the other day here in committee, it was voted down—

Mr. POWER: No; may I interrupt you there to say that the vote was taken on the list of ties delivered under the unemployment relief.

Hon. Mr. MANION: This year.

Mr. POWER: That is dead and gone, done for and buried as far as this Committee is concerned, because there has been a decision on it. We may have to take it up in the House some time later, but it has nothing to do with this here. The next thing is, there have been 4,000,000 ties delivered in 1931, and if I have not already asked for that information, or if Mr. Munn has not already asked for it, I ask for it now.

The CHAIRMAN: Mr. Munn, according to the record, did not ask for a list; and the information given by the railway is in response to the question as laid down in the record.

Hon. Mr. CHAPLIN: In order not to waste any more time I will move that the names in respect of those particular contracts which are now being asked for, be provided.

Hon. Mr. MANION: If you do not mind, Mr. Chaplin, make that 1930 and 1931; we shall bring down the two years.

Hon. Mr. CHAPLIN: I am satisfied.

Mr. POWER: All right.

Hon. Mr. MANION: I am simply trying to facilitate matters; it may take a couple of days.

Mr. POWER: If we cannot do that, we will suspend the rule.

The CHAIRMAN: By unanimous consent you can do anything.

Mr. POWER: Will it take very long?

Hon. Mr. MANION: It will take some time, a couple of days anyway. I told my secretary to get whatever list we had, since there has been so much talk as if there were something to hide, it was my intention to bring down the list, anyway. There has been so much talk about this, and my secretary did not have the complete information.

Mr. POWER: Would you shorten matters by showing all contracts over 5,000 ties?

Hon. Mr. MANION: No; I want them all brought down.

Hon. Mr. CHAPLIN: I am interested in the little fellows.

Mr. KENNEDY: Can you bring down a list, after the committee has voted that the list be not produced?

The CHAIRMAN: That is this year's. We are not asking for 1932.

Mr. POWER: We cannot ask for it.

Mr. FAIRWEATHER: With regard to the question of the expenses of directors in connection with meetings of directors and executive committee during 1931, I have the following information:

Under the original order-in-council appointing directors their compensation was set at $2,000 a year. Under the Company's by-law No. 11, passed June 13, 1927, and approved by P.C. 1022 dated June 30, 1927, the members of the executive committee (now eight in number) are paid $40 for attendance at an executive committee meeting.

Directors also receive travelling expenses (which since February 1, 1931 are $15 per day and train accommodation) in attending meetings and incurred otherwise on Company's business. Directors who live at a distance from Montreal, where most meetings are held, naturally require more time in travelling than other directors.

Directors attending meetings of the executive committee (as amended) in connection with the report of the 1931 Select Standing Committee also receive $40 per meeting and train accommodation, and expenses at $15 per day.

There were in all twelve meetings of the Investigation Committee. No fees for such meetings were paid when held on the same days as Executive Committee meetings.

Then follows a statement of the fees and expenses of directors for the year 1931, and a similar statement of fees and expenses for the year 1930.

In the year 1931:

—	Attendance at directors' meetings	Approximate travel — Days	Directors' annual fees	Executive meetings attended and fees	Investigation committee fees	Expenses	Total
Sir H. W. Thornton	11			19—	*		
Ruel, G	10		12,000	20—	*		$2,000 00
Smart, V.I	11	2	2,000	22—$880	$120		3,000 00
Moore, Tom	9	2	2,000		200	$ 275 00	2,475 00
Cumming, J. T	11	4	2,000			2,771 20	4,771 20

Hon. Mr. EULER: I would suggest giving the place from whence the director comes.

Mr. FAIRWEATHER: Mr. Ruel, of course, resides in Montreal, Mr. Smart is resident in Ottawa, Mr. Tom Moore is resident in Ottawa, Mr. Cumming in New Glasgow, Mr. Palmer in Fredericton, and Mr. Kennedy in Charlottetown.

Hon. Mr. EULER: Give them as you go along.

Mr. POWER: What year?

Mr. FAIRWEATHER: 1931.

The CHAIRMAN: This was asked for by Mr. Chaplin.

Mr. FAIRWEATHER: Mr. Kennedy at Charlottetown.

—	Attendance at directors' meetings	Approximate travel — Days	Directors' annual fees	Executive meetings attended and fees	Investigation committee fees	Expenses	Total
Palmer, J. D	11	4	$2,000			$1,376 75	$3,376 75
Kennedy, M	10	5	2,000			1,615 00	3,615 00
Henderson, G	9		2,000	21—$840	$160	47 50	3,047 50
Labelle, J. E	11		2,000	24— 960	160	47 50	3,167 50
Moraud, L	7	2	2,000	22— 880	120	697 00	3,697 00
Perry, G. F	7	2	2,000				2,000 00
Morrow, F. K	6	2	2,000	11— 440	120		2,560 00

*The President and Mr. Ruel were not on the Investigation Committee.

The Board now consists of 17 members.

Mr. Boys, Barrie, attendance at Directors' meetings 6; approximate travel time 2; Directors' annual fees $2,000; executive meetings 13; fees $520; investigation committee $160; expenses $536.60; total $3,216.

Mr. Richards, Winnipeg, attendance at Directors' meetings 10; approximate travel time 6; Directors' annual fees $2,000; expenses $1,870; total, $3,870.

Mr. Smith, Vancouver, attendance at Directors' meetings 4; approximate travel time 4; Directors' annual fees $2,000; expenses $1,111.40; total $3,111.40.

Mr. R. B. Horner, Saskatchewan, attendance at Directors' meetings 3; approximate travel time 10; Directors' annual fees $528; expenses $640; total $1,168.

Mr. Ramsay, Edmonton, attendance at Directors' meetings 3; approximate travel time 8; Directors' annual fees $528; expenses $468; total $996.

Total Directors' annual fees $29,056; Executive Committee meeting fees $4,520; investigation committee fees $1,040; expenses $11,455.95; total $46,-071.95.

Executive fees, $40 for meeting (paid in gold to October 13, 1931).

Investigation Committee, $40 per meeting if no executive meeting on same day.

Number of Board meetings, 11 (one in Ottawa).

Number of Executive meetings, 24.

Number of Investigation Committee meetings, 12.

The President and Mr. Ruel were not on the Investigation Committee.

And then with regard to Mr. Ramsay and Mr. Horner, in office since September.

The Board now consists of seventeen members.

The next is a statement of fees and expenses of Directors for the year 1930.

CANADIAN NATIONAL RAILWAYS

STATEMENT OF FEES AND EXPENSES OF DIRECTORS, YEAR 1930

	Attendances at directors' meetings	Approximate travel — Days	Directors' annual fees	Executive meetings attended and fees	Expenses	Total
Sir H. W. Thornton	8			(21)		
Talbot, Col. O. E	5	2	$2,000 00		149 00	$2,149 00
Brown E	9	6	2,000 00		1,350 00	3,350 00
Decary, E. R	7		2,000 00	(26) $1,040 00		3,040 00
Gardner, J. Gill	7	2	2,000 00	(21) 840 00	3,530 20	6,370 20
Henry, R. A. C	6	2	1,716 67	(20) 800 00		2,516 67
McDougald, D. J	6	2	2,000 00		221 09	2,221 09
Moore, Tom	5	2	2,000 00		300 00	2,300 00
Rayside, J. S	8		2,000 00	(24) 960 00	450 00	3,410 00
Rattenbury, N	7	5	2,000 00		525 00	2,525 00
Ruel, G	5		2,000 00	(24)		2,000 00
Smith, E. A	9	4	2,000 00		730 00	2,730 00
Smart, V. I. (10 months only)	6	2	1,666 67	(18) 720 00		2,386 67
			$23,383 34	$4,360 00	$7,255 29	$34,998 63

NOTE:—Executive Fees—$40 per meeting (paid in gold). Number of Board Meetings, 9. Number of Executive Meetings, 26. The Board consisted of thirteen members.

Mr. DUFF: Mr. Chairman, in the 1930 list of Directors' expenses and fees, the only one that looks a little out of line is J. Gill Gardner, $3,500 expenses. Is there a special reason for that large amount?

Sir HENRY THORNTON: I can explain that in this way, Mr. Duff: During the time of his incumbency as a director in office the hotel at Jamaica was being opened. There were a good many controversial matters in connection with the Independent Banana Producers Association in Jamaica with respect to shipments and a number of things of that sort which developed, and it was thought wise on the part of the Board that Mr. Gardner should go to Jamaica to look over the situation, which he did.

Mr. MACMILLAN: What were his expenses the year before?

Sir HENRY THORNTON: I cannot tell you offhand but we can find out.

Mr. MACMILLAN: Was he looking upon the National Railways as a Christmas tree at that time?

Sir HENRY THORNTON: I don't think I require to answer the question put just in that way.

The CHAIRMAN: I would like to point out that Mr. Palmer's expenses includes, he tells me, several attendances at Moncton and St. John and elsewhere in the Province of New Brunswick on Canadian National business exclusively, and I think the same is true with respect to Mr. Cumming. I cannot speak with respect to any of the other directors for I don't know.

Mr. POWER: Anyway, there is nothing wrong with any of those accounts, if you ask me.

Hon. Mr. MANION: I was going to say, that I don't know that in either year there is any great justification for criticism indeed, for the total amount at any rate.

The CHAIRMAN: All right, let us go on to something else, then.

Mr. FAIRWEATHER: In answer to Dr. McGibbon, with respect to the question raised by Parliamentary Committee asking for the commissions paid in connection with the acquisition of property for Montreal Terminal Development, chapter 12, 1929:—

Total expenditure to December 31, 1931, for property	$8,654,903 11
1. Commissions on Real Estate purchased	54,809 42
2. Retainers paid to Real Estate and Building Experts for advice in making valuations and Court cases	34,736 72
3. Fees paid to Building and Real Estate Experts for special detailed reports on various properties	33,843 66

The CHAIRMAN: Have you totalled that?

Mr. FAIRWEATHER: $123,389.80.

Question by the Chairman:—

Question—How many employees were in the Legal Department in 1929, 1930 and 1931, divided between lawyers and others?

Answer:—

	Lawyers	Others	Total
1929	28	72	100
1930	28	74	102
1931	28	72	100

Mr. GRAY: What does the term "others" mean?

Sir HENRY THORNTON: Stenographers, I suppose, and clerks, and people of that sort.

Mr. GEARY: Laymen.

The CHAIRMAN: That is the system?

Sir HENRY THORNTON: That is the system.

Mr. GEARY: Does that include the American lines?

Sir HENRY THORNTON: That is the total of the Canadian National System.

Mr. GEARY: I suppose a lawyer is a man who has passed his examinations?

Mr. FAIRWEATHER: Then the next question is in connection with the New York Office Building.

NEW YORK OFFICE BUILDING

(1) Question: On page 1930-31 of Hansard for the session of 1931, Mr. McGibbon asked certain questions regarding the New York office of the Railways—I would like to inquire if the Railways had to pay any of the occupants or lessees of office space in the building at 673 Fifth Avenue in order that the Railway should obtain immediate possession of the building? If so, how much money was paid out in this connection.

Answer: None—See reference later to over-lease.

(2) Question: How much money did the Railways spend on remodelling the premises, and how much on furnishings, and in what year?

Answer:

	Remodelling	Furniture
1930	$ 201,335 71	$ 18,878 34
1931	5,991 00*	
	$ 195,344 71	$ 18,878 34

* Credit adjustment.

(3) Question: (*a*) What is the term of lease by the railways at office building 673 Fifth Avenue, New York?

(*b*) What is meant by over-lease held by Cordelia Realty Corporation, expiring April 30th, 1955?

Answer: (*a*) The tenure of 673 Fifth Avenue by the Canadian National is determined by two leaseholds, 1st, a sub-lease expiring April 30, 1934, and 2nd, an over-lease expiring April 30, 1955, with option of renewal to April 30, 1976.

(*b*) The leasehold situation of 673 Fifth Avenue is complicated owing to the New York practice of trading in leaseholds and over-leases. An over-lease is one which establishes tenure at the expiration of an existing leashold, and as such, and over-lease has a present-day market value. It furnishes a means whereby the proprietor may obtain the full market value, at a specified time, of his property rights subject of course to any existing lease, the holder of the over-lease standing in the position of the proprietor with regard to any existing leases. In the case of 673 Fifth Avenue there are two basic documents,—1st, a lease from the then proprietor, Adelaide Pyle, dated February 26, 1913, establishing tenure to April 30, 1934, 2nd, an over-lease from the Pyle Trustees, successors to Adelaide Pyle, dated May 15, 1920, establishing landlord rights as regards previous lease and additional tenure from May 1, 1934, to April 30, 1955, with option of renewal to April 30, 1976. At various times there were sub-leases of the original lease and assignments of the over-lease. A record of these various transactions is as follows:—

HISTORY OF LEASES AND OVERLEASE 673 FIFTH AVENUE, NEW YORK

—	Instrument Dated	Effective From	Effective To	Nature of Transfer	From	To	Covering
Overlease	1920, Mar. 1			Assignment of Title	Adelaide Pyle	Pyle Trustees	Entire property.
	1920, May 15	1920, June 1 with right of renewal to	1955, April 30 / 1976, April 30	Overlease	Pyle Trustees	Malex Realty Cpn.	Entire property.
	1925, Jan. 29			Assignment of Overlease	Malex Realty Cpn.	Cordelia Realty Corporation.	Entire property.
	1929, Dec. 30			Assignment of Overlease	Cordelia Realty Corporation.	Can. Nat. Rys.	Entire property.
Leases	1913, Feb. 26	1913, Sept. 1	1934, April 30	Lease "A"	Adelaide Pyle	C. J. Duveen	Entire property.
	1916, Feb. 18	1916, Feb. 18 with right of renewal to	1924, April 30 / 1934, April 30	Sublease "B"	C. J. Duveen	Geo. Bernard Co. Inc.	Basement, 1st and 2nd floors.
	1921, Dec. 1	1921, Dec. 1 with right of renewal to	1924, Nov. 30 / 1934, April 30	Sublease "C"	C. J. Duveen	F. N. Lewis (Eliz. Arden).	3rd and 4th floors, 2 rooms and bath on 5th.
	1923, Oct. 1	1923, Oct. 1 with right of renewal to	1924, Nov. 30 / 1934, April 30	Sublease "D"	C. J. Duveen	F. N. Lewis (Eliz. Arden).	Additional 2 rooms and bath on 5th floor.
	1924, June 18	1924, July 1	1934, April 30	Lease (E)	C. J. Duveen	Geo. Bernard	Entire property.
	1924, July 14			Assignment of Lease "E"	Geo. Bernard	673 Fifth Ave. Corporation.	
	1925, June 3	1925, Sept. 1	1934, April 30	Sublease "F"	673 Fifth Ave. Corporation.	F. N. Lewis (Eliz. Arden).	6th and 7th floors.
	1924, Sept. 2	1926, May 1	1934, April 30	Sublease "G"	673 Fifth Ave. Corporation.	F. N. Lewis (Eliz. Arden).	Remainder of 5th floor.
	1929, Dec. 24			Assignment of sublease "B."	Geo. Bernard Co. Inc.	Can. Nat. Rys.	Basement, 1st and 2nd floors.
	1929, Dec. 30	1929, Dec.31	1934, April 30	Lease "H"	673 Fifth Ave. Corporation.	Can. Nat. Rys.	Entire property.

(*b*) The Canadian National sub-lease dated December 31, 1929, and extending to April 30, 1934, for the whole building was for a gross rental of $85,000 per year. The assignment of the over-lease dated December 31, 1929, provides for annual payments as follows, applicable to the whole building:—

	Per year
December 31, 1929, to April 30, 1934	$ 40,000
May 1, 1934, to April 30, 1944	50,000
May 1, 1944, to April 30, 1955	60,000

Optional renewal 6 per cent on appraised valuation to April 30, 1976, rental not to be less than $60,000 per year.

The final result is that the Canadian National Railways pays gross rental to April 30, 1934, of $125,000 and receives payments under various agreements of $66,200, leaving a net rental under the lease agreements of $58,800. To secure the assignment of the over-lease the Canadian National Railways paid a lump sum of $215,000. The amortization of this amount over the period to April 30, 1955, amounted to $8,835.60. The gross rentals subsequent to April 30, 1934, to which date the present sub-tenants are bound, will be off-set to the degree to which surplus space may be rented.

(4) Question: Does the lease of this building extend until April 30, 1955?

Answer: Yes, with option of renewal, as described.

(5) Question: How much did the railways receive in rental from sub-tenants occupying this building last year?

Answer: $32,000.

(6) Question: (*a*) Are the premises at 505 Fifth Avenue vacated by the railways still unoccupied?

(*b*) When does the lease on the said premises expire?

Answer: (*a*) The premises are at present unoccupied. From December 12, 1931, to April 30, 1932, the premises were occupied by the Waterbury Watch Company, the rental being fixed by a percentage of the gross business.

(*b*) August 30, 1935.

(7) Question: What is the annual rental of the premises at 505 Fifth Avenue, New York, for the years 1929, 1930 and 1931?

Answer: $55,000 per annum.

(8) Question: What is the annual gross and net rental paid by the railways for premises at 673 Fifth Avenue, New York, for the years 1929, 1930 and 1931?

Answer:

	Gross	Net
1929		
1930	$ 125,000	
(Less $34,200) or	90,800	$ 58,800
1931	125,000	
(Less $34,200) or	90,800	58,800

After 1934 the gross rental is reduced by $48,800 per annum for 10 years.

(9) Question: What is the annual rental paid by the railways for premises occupied by the Traffic Department in the Woolworth Building, New York, for the years 1929, 1930 and 1931?

Answer: $14,000 per annum.

(10) Question: What amount of money did the National Railway pay by way of net and gross rental for the premises at 673 Fifth Avenue, New York; 505 Fifth Avenue; and, office space in Woolworth Building, New York, for the same period?

Answer: See answers to 7, 8 and 9.

(11) Question: Yearly amount of salaries and business done last year New York office?

Answer: Salaries $66,851.25—Tick business $502,353. To the end of 1931 the New York office established contact with 438 cases where American manufacturing concerns might be interested in locating in Canada. 79 have actually entered Canada, either building their own plants, taking over existing plants or arranging for the manufacturing of their products by Canadian companies. A large number of the remaining projects are still under negotiation. In 1931, in addition to display advertising, 40,000 pieces of advertising literature with regard to Canada were distributed to enquirers.

(12) Question: Who is the Cordelia Company?

Answer: The Cordelia Realty Corporation held by assignment the over-lease of 673 Fifth Avenue as set forth in 3-b. The railway has no information as to this Corporation, other than the fact that a Dr. Partos represented the Cordelia Realty Corporation in the negotiations leading to the acquisition of this over-lease by the Canadian National. The records show that the Cordelia Realty Corporation became the holders of the over-lease on January 29, 1925. The Canadian National negotiations for the acquisition of this over-lease on December 31, 1929, were carried on through Douglas Elliman & Company, Real Estate Brokers, New York.

(13) Question: Who was the architect employed in remodelling of premises in New York, and what remuneration he received?

Answer: Warren and Wetmore—Remuneration received $17,000.81.

Mr. McGibbon: Who negotiated that on behalf of the railways?

Sir Henry Thornton: I think the answer is in the question; Douglas Elliman & Company. They are well known real estate brokers in New York.

Mr. McGibbon: Could you tell us what justification there was of going to such enormous expense for this business?

Sir Henry Thornton: The Grand Trunk Company, one of the predecessor companies of the Canadian National system, had a passenger traffic office in New York on the second floor of a building at the corner of Broadway and 34th street. The location was poor, and the volume of business transacted was inconsiderable. The management of the Canadian National Railways had a keen realization of the value from the traffic point of view of the densely populated district surrounding New York, and it was considered desirable to obtain an office better suited for the solicitation of passenger business. It was also felt in view of the fact that the capital necessary for the development of Canada must come largely from the United States and particularly from New York that it would be wise to have a centre from which information regarding Canada in general and the Canadian National Railways in particular could be

disseminated. Accordingly, in September, 1925, premises were leased at 505 Fifth Ave., near the corner of 42nd street. Prior to that time no important railway maintained ground-floor offices in New York. Subsequent to the Canadian National moving to 505 Fifth Avenue a number of important railways moved onto Fifth Avenue and followed the same policy. As the business of the office grew the space at 505 Fifth Avenue was found to be inadequate and negotiations were commenced to obtain more suitable premises. A careful study of business trend in New York revealed that there was a bigger tendency toward an uptown movement and it was considered desirable to locate at 673 Fifth Avenue at the corner of 53rd street. The change in location served the double purpose of providing necessary additional space required and improving the strategic location of the office. At the time the corner of 53rd street and Fifth Avenue was the only corner, as I recall it, which was available north of 42nd street. The New York office, in addition to acting as a ticket and routing bureau serves as a ready outlet for a wide range of information, not only regarding the Canadian National, but also regarding the tourist attractions and resorts as well as the natural resources of Canada in general.

From the narrow standpoint of passenger traffic alone, the growth in ticket sales indicates the beneficial effect of moving to the Fifth Avenue location, as will be seen from the following table of gross receipts of the New York office from 1925 to date. In 1925, that is to say, the year prior to moving to 505 Fifth Avenue, the total ticket sales were $169,338; in 1926—the first year after moving to Fifth Avenue—the sales were $306,212; in 1927, the sales were $396,589; in 1928 the sales were $384,498; in 1929 the sales were $435,539; in 1930 the sales were $520,363; and in 1931 the sales were $502,353.

In other words, although 1931 might be called the depression year still in that year the ticket sales increased from $169,338 in 1925 to $502,353 in 1931.

The volume of ticket sales in 1931 totaled 21,367 tickets with gross receipts at $502,353.

Mr. McGibbon: It is costing between $200,000 and $250,000—

The Chairman: Let us add up the costs.

Sir Henry Thornton: May I continue. The benefits to Canada of such an excellently located office in selling to the American public the advantages of Canada's tourist attractions are undoubtedly of considerable value to the attraction of tourist traffic, apart altogether from the direct benefit to the Canadian National from passenger ticket sales.

I might say at this point, and I do not think it develops later on, that the Canadian Pacific have what would be described as a large building. I think it is about the corner of 43rd or 44th street and Madison avenue, which they use for railway and steamship purposes, and the general requirements of their company's business in New York.

The Chairman: Do they not sublet?

Sir Henry Thornton: The building if my memory serves me—the building is called the Canadian Pacific. What their arrangement is or how they got it or what they pay for it—

The Chairman: I have often been in it and part of it is sublet.

Sir Henry Thornton: The upper storeys are sublet just as the upper storeys in our building are.

Mr. MacMillan: That would be close by your original building.

Sir Henry Thornton: Not far; just two or three blocks.

The Chairman: It is right in the heart of the Grand Central district.

Sir Henry Thornton: It is close to the Grand Central district. You might ask why it was we gave up the location at 505 Fifth avenue and moved to the corner of 53rd street and Fifth avenue. 505 Fifth avenue is just a few

doors north of 42nd street. 673 Fifth avenue is the corner of 53rd street and Fifth avenue, and as has been previously said there was a distinct trend of business northward in New York. 57th street has become an important shopping street. It is wider than most of the cross streets in that particular vicinity and there are located on that street a number of important shops. There has lately developed a very important hotel construction north of 67th street. There is the Plaza hotel which is somewhere around 58th street, facing the park. There is the Savoy-Plaza which has lately been built and opened almost across the street. There is a large and important hotel known, I think, as Pierre's which is still further north on Fifth avenue. There is the Madison hotel on Madison avenue, and, I am speaking from memory now, somewhere in the vicinity of about 56th or 54th street; and the general movement of high-class hotels seems to be and has been borne out by the fact, northward. For instance, I have understood that the Ritz hotel which is now located about somewhere in the vicinity of 43rd or 46th street and Madison avenue is to be torn down and would have been torn down probably if it had not been for the depression, and an office building or shop of some sort would have been opened or constructed on that location. So that the best information which could be obtained from real estate experts and others was that the movement northward of business and hotels in New York, which, in 1912, probably had its centre at the old Waldorf-Astoria on 32nd and 34th street and Fifth avenue—that movement was going to be progressively northward, and year by year one has seen residences on Fifth avenue pulled down and turned into business lots. So there is no question at all but that the movement of hotels and shopping business is decidedly northward. Therefore, we felt, having regard for the fact that our quarters at 505 Fifth avenue were becoming cramped, that it was the part of wisdom to take advantage of the opportunity at that time and to put ourselves in what we believed would subsequently become the important hotel and traffic district of New York. And it was for that reason that we moved up to 53rd street and Fifth avenue. May I just continue:—

Canada's many opportunities for exploitation of natural resources and industrial developments are constantly being placed before those concerned which might be interested in locating in the Dominion, by a natural resources engineer located in the New York office.

You have all heard the evidence which has been given with respect to the number of concerns who located in Canada, and I need not repeat that.

In addition to the New York territory, all passenger offices, in the eastern United States excluding Boston and Portland are under the jurisdiction of the New York office. Thus the activities of the offices at Cleveland, Buffalo, Pittsburg, Washington and Philadelphia are controlled by the New York office.

The attached statement shows in detail the 1931 expenses of the offices at 673 Fifth avenue which may be summarized as follows: Net rental paid $58,800; amortization of leasehold rights $8,836; building and office expense $9,582; taxes and insurance $28,407; salaries and expenses of staff $92,277. Total expenses $197,902.

Mr. MacMillan: What year was that?

Sir Henry Thornton: That was last year.

The Chairman: Just give us those figures again. What was the $58,800?

Sir Henry Thornton: Rental.

The Chairman: Net rental?

Sir Henry Thornton: Yes.

The Chairman: What was the figure $8,836?

Sir Henry Thornton: Amortization of the leasehold rights; building and office expense $9,582; taxes and insurance $28,407. Salaries and expenses of staff $92,277, making a grand total of $197,902.

Mr. McGibbon: Is that in addition to the $55,000 for Fifth avenue?

Sir Henry Thornton: That is in addition to that less any rentals that we may have got out of it. At the time that this project was entered into it was my feeling, and it was shared by all of those whose opinion was worth while, that the building at 505 Fifth avenue could be leased for more than the rental we were paying at that time. That was the opinion of Douglas Elliman & Co., who are well-known and experienced real estate brokers, and that was the general opinion which was given me by one or two others whom I consulted. Unfortunately, due to the depression and the general depreciated condition of real estate values and real estate rentals in New York that hope has not been realized, and while we have got a certain rental out of 505 Fifth avenue we have not got out of it the total amount we expected to get. We have under negotiation now a proposal with a certain concern which may result in our recovering practically all or a substantial amount of the rental which we already paid for 505 Fifth avenue.

Mr. MacMillan: Will you tell me what you receive from the Waterbury Watch Company?

The Chairman: As a matter of fact, Sir Henry, it cost you $252,902 last year to do $502,000 worth of business.

Sir Henry Thornton: No. I do not think I should put it that way.

Mr. MacMillan: Fifty per cent.

The Chairman: Over.

Sir Henry Thornton: The total amount came to $197,902.

The Chairman: Plus $55,000.

Sir Henry Thornton: That is quite true. If you add that into it it does come to that. Unfortunately, we or nobody else could foresee the unfortunate depression of real estate and rental values in New York.

Mr. McGibbon: The change in location did not bring you more business.

Sir Henry Thornton: It did this—I do not know if you could say it did not bring us any more business—it enabled us to retain a considerable proportion of what we already have in a time of depression, because in 1928 the business—the total ticket sales amounted to $384,000 and in 1931, which was certainly a depression year, the ticket sales were $502,000. So we not only retained our business in 1928 but we very materially added to it.

Mr. McGibbon: It cost $250,000 to get that business.

Mr. MacMillan: It cost $250,000 a year to get $118,000.

Hon. Mr. Chaplin: May I ask what year it was, and what time of the year the Canadian National moved into 673 Fifth avenue?

The Chairman: The deal was closed in December, 1930.

Sir Henry Thornton: My recollection is that—

Mr. McGibbon: The lease says December 30, 1929.

Sir Henry Thornton: Mr. Burnap, do you know the date that we opened the 53rd Street Office?

Mr. Burnap: I have the records here.

Sir Henry Thornton: October, 1929, Mr. Chaplin.

Hon. Mr. Chaplin: Then Mr. Chairman, from the figures that Sir Henry Thornton has given us, the business in the old premises in the year 1925 amounted to $169,000—we are still in those premises, and the business increased each year, 1926 to $306,000 odd, in 1927 to $396,000, in 1928, $385,000, and in 1929 it was $435,000, and with the new premises there has been an increase of less than $100,000; so that all this expense has been gone through in order to increase the business by less than $100,000.

Sir HENRY THORNTON: A point to remember in connection with that is this: as far as one could estimate, the location of the old ticket office at 505 Fifth avenue was likely to steadily depreciate as a traffic gaining centre, and the general impression was, and I think it was right, that if we had remained in that location we would not have had any increase in business; we might have seen a decrease in business.

Mr. MCGIBBON: It had been increasing every year.

Sir HENRY THORNTON: Yes; I am trying to make it clear to you that that district was rapidly depreciating.

Mr. MACMILLAN: Are the Canadian Pacific Railway in the district?

Sir HENRY THORNTON: Yes.

Mr. MACMILLAN: How long have they occupied that building?

Sir HENRY THORNTON: I do not know.

Mr. MACMILLAN: Is it ground floor premises?

Sir HENRY THORNTON: The whole building—I do not know how much they occupy. I understand they occupy the basement and the first floor; they might occupy one or two other floors, I do not know.

Mr. MACMILLAN: In the new premises on Fifth Ave., do you occupy anything other than the ground floor?

Sir HENRY THORNTON: We occupy the basement and the ground floor, and the floor immediately above that.

Mr. MACMILLAN: The old premises had a larger ground floor space than the new, had it not?

Sir HENRY THORNTON: I cannot answer that off-hand.

Mr. MACMILLAN: I understand that.

Hon. Mr. EULER: Would it be fair to assume that since your business has diminished, both passenger and freight in the last year or so, that ordinarily your business in New York in the old office would have been reduced instead of that in the new office you increased your business. Is that a fair assumption? You would probably have had less business than you did have.

Sir HENRY THORNTON: That is a point that I tried to make clear.

The CHAIRMAN: May I ask you a question, Mr. Euler? Do you think it is a profitable business in the face of the figures presented here?

Hon. Mr. EULER: I certainly would not say it was not.

The CHAIRMAN: A business that costs over fifty per cent of that produced.

Hon. Mr. EULER: I do not think the chairman has any business to ask me any questions at all. You may ask that of those in charge of the road; I am not in charge of the road. The suggestions that are constantly being thrown out, are making me tired.

Mr. MACMILLAN: Nobody throws out any more than you do.

Hon. Mr. EULER: I have not made any.

The CHAIRMAN: If you object to the question being directed to you, I withdraw it.

Mr. GEARY: Would it be useful to show comparisons of the receipts in the last year in the old premises?

Sir HENRY THORNTON: Before making any reply to those general questions, I should like to call your attention to an editorial that appeared in the New York Times on Wednesday, November 12th, 1930.

Mr. GEARY: November, what year?

Sir HENRY THORNTON: 1930. This editorial is entitled: "Canada Carries On. With becoming modesty, the splendid new building in Fifth Ave. of the Canadian National Railways has been opened. Sir Henry Thornton came

from Canada to attend, but there were no ceremonies. Many a smaller institution in this city has been inaugurated with pomp more fitting to this building; few business offices in the world compare with it in taste and beauty.

In the time of depression, the action of the Canadian National Railways in going through with the plans for these offices is stimulating. Discussing the Dominion affairs with New York newspapermen—" well, I am not going to read what I said myself, because it won't interest you one way or the other. But I do want to call your attention—perhaps I may be misunderstood—but at the same time I want to call your attention to this; here is an editorial which came in unsolicited, and published in the New York Times, a newspaper of reputation and standing, and which in brief, compliments Canada and the Canadian National Railways for having established offices on the greatest thoroughfare of any city in the world.

The CHAIRMAN: Well Sir Henry, that is a matter of opinion. I suggest to you the Grand Central Station, which I suppose is the greatest station in the world for incoming and outgoing traffic, did not move north. I suggest to you sir, that the great bulk of the leading hotels in New York did not move north, and that the natural place—

Mr. POWER: They did not move the statue of Liberty.

The CHAIRMAN: That remark is just intended to draw a red herring across the trail. I suggest to you that the most convenient place for a ticket agency in the city of New York is in the vicinity (a) of the Grand Central, (b) the great mass of hotels that are situate in the immediate vicinity. I think I know that part of New York pretty well.

Mr. GRAY: That is your opinion as against the railways.

The CHAIRMAN: As against the railways; and the figures shown are most astonishing and startling.

Sir HENRY THORNTON: Well Mr. Chairman, I suppose you would like me to answer that.

The CHAIRMAN: You may, if you wish.

Sir HENRY THORNTON: The statement has generally been made that the hotels in New York were not moving north. Well, those of you who used to go to New York in the old days, will remember probably the Waldorf Astoria of blessed memory at the corner of 34th Street and Fifth Ave. That hotel has moved north, and it is now, I think, on Park Ave., somewhere in the vicinity of 50th street. There has been a decided movement of the better class hotels from the lower district around 34th Street and 42nd Street, up to the vicinity of 57th Street and 53rd Street, and north thereof; and I am unable to agree—I can recognize that no doubt the Chairman is speaking from his knowledge—well, I am speaking from mine—I am not prepared to admit that the proper place for an uptown ticket office, is in the vicinity of the Grand Central station, and furthermore, the Union Pacific, the Northern Pacific, the Great Northern Railway, and a number of important railways have established offices on Fifth Ave., and have done precisely the same thing as the Canadian National Railways have done.

The CHAIRMAN: Well, we will leave it at that.

Hon. Mr. EULER: Your opinion ought to be worth something.

Mr. MACMILLAN: I should like to ask you something about the over-lease. You say it cost you $15,000? Do I understand by that that that is what it cost to get occupancy of the building?

The CHAIRMAN: Yes.

Mr. FAIRWEATHER: It might be put that way. The over-lease had a market value.

Mr. GEARY: That was the premium.

Mr. FAIRWEATHER: The premium paid.

Hon. Mr. CHAPLIN: You amortized that?

Mr. FAIRWEATHER: We amortized that over a period of the lease?

Sir HENRY THORNTON: I should like to call your attention to what I said in the course of my previous remarks. This office is not only used for the purpose of selling tickets, it is used for the purpose of advertising Canada as a whole, and promoting the establishment of industries in Canada, and I told you that 79, I think it was, industries through the establishment of this office, had located in Canada.

Mr. BEAUBIEN: Would this be a fair question to put to you, taking into consideration the fact that we are now in the midst of a depression, the amount of business you did in 1931 is equal to the amount of business you did in 1930? Am I right?

Sir HENRY THORNTON: The business we did in 1931 was $502,000.—I am giving you round figures—in 1930 it was $520,000, and in 1929 it was $435,000.

Mr. BEAUBIEN: Would it be fair to put it this way. Owing to the business depression, and the decrease of your business all over the railway system, compared with the amount of business you did in New York, would prove beyond any question of doubt that you had increased the business in that New York office?

Sir HENRY THORNTON: I think so; that is my judgment.

Mr. GEARY: Can you give me a comparison of the lease costs, where you are now, and the leasing cost or the property costs of the building you formerly occupied? As I understand it, the $102,000 includes rent and building expenses and taxes. What was your rent and building expenses and taxes in the other place?

Mr. FAIRWEATHER: The rent at 505 Fifth Ave. was $55,000, and it included taxes and things of that character.

The CHAIRMAN: Light and heat?

Mr. FAIRWEATHER: I do not think it would include light or anything of that character. The figures that are really comparable to that at 673 Fifth Ave. at the present time are $58,800 for rent, $8,836 for amortization, and taxes, $28,407. Now, it is perhaps fair to point out that after 1934 the rental of $58,000 will drop down to a figure of $50,000, and further to the extent we succeed in leasing the office space which we do not need. You see, at the present time, we are receiving $32,000 from rentals of the space which we do not use.

Mr. GEARY: At 673?

Mr. FAIRWEATHER: At 673, and the net rental is $58,800. After 1934 our net rental will be $40,000, less whatever we succeed in renting that space for. If we are able to rent for $32,000 then the rental at 673 Fifth Ave. would become $18,000 net, apart from the amortization of the leasehold. That would be another $8,836.

Mr. MACMILLAN: You are paying for both.

Mr. FAIRWEATHER: No doubt we are paying for 505 Fifth Ave.

Hon. Mr. CHAPLIN: What were the salaries and expenses in the old building?

Mr. FAIRWEATHER: They would be the same as they are at 673—I cannot tell you exactly; it would be within measuring distance.

Sir HENRY THORNTON: Approximately the same.

Mr. DUFF: What is the percentage of your decrease in the sale of tickets for passengers in 1931 as compared with 1929?

Mr. FAIRWEATHER: I would say offhand somewhere around 30 per cent.

Sir HENRY THORNTON: You speak of the railway as a whole?

Mr. FAIRWEATHER: As a whole.

Mr. DUFF: As a whole, yes.

Mr. FAIRWEATHER: About 30 per cent.

Sir HENRY THORNTON: Thirty per cent?

Mr. DUFF: A decrease of 30 per cent more this year than in 1929.

Sir HENRY THORNTON: Yes.

Mr. DUFF: It would be fair to say if we had no depression the increase over the business done last year would be 30 per cent.

Sir HENRY THORNTON: Well, those figures show progressive increases. For instance, take 1928 or take 1929. The gross sales moved from $435,000 to $520,000, or a little less than $100,000,—roughly 18 per cent. Now, it is reasonable to suppose that if there had been no depression certainly we would have had that continued increase and I think a good deal more.

Mr. DUFF: An increase of at least 50 per cent.

Sir HENRY THORNTON: Well, that is a matter of opinion. You cannot say what it would have been but it would have been substantial.

Hon. Mr. EULER: Sir Henry, is this true, that if you are successful in leasing the upper floors of this building at 673 the net cost of your present premises would be less than the ones from which you moved?

Sir HENRY THORNTON: Yes, unquestionably, and materially so.

Mr. MACMILLAN: Mr. Chairman, did I understand Sir Henry to say that prior to the time they moved into those buildings the railways in New York were occupying upper stories?

Sir HENRY THORNTON: I think I am perfectly safe in saying this, that at the time we moved onto Fifth Avenue, at 505, there was no American railway which had an office on Fifth Avenue above 32nd Street on the ground floor, and we had not been in that location more than six months before a number of important railways, like the Great Northern and the Northern Pacific, that I happen to think of, immediately followed suit and did the same thing.

Mr. MACMILLAN: Do you suppose it was because you inaugurated that ground floor policy that they did that?

Sir HENRY THORNTON: I think they saw and appreciated the wisdom of our policy and imitated it.

The CHAIRMAN: Sir Henry, none of those premises was occupied by the freight traffic department, they had separate quarters in the Woolworth Building.

Sir HENRY THORNTON: That is true.

The CHAIRMAN: And that is true to-day?

Sir HENRY THORNTON: Yes.

The CHAIRMAN: So that it is to be borne in mind that this is a passenger proposition pure and simple.

Sir HENRY THORNTON: A passenger and industrial proposition.

The CHAIRMAN: It is only fair to add that. Now, when you took this building were the ground floors now occupied by the railway occupied by tenants?

Sir HENRY THORNTON: The ground floor, yes. I think the ground floor, as I recall it, was occupied by some sort of a dress goods concern.

The CHAIRMAN: Now, what arrangement was made with them because the answer to No. 1 states, I think, rather explicitly that nothing was paid to anyone for giving up occupation of 673 Fifth Avenue.

Sir HENRY THORNTON: Well, they quit.

The CHAIRMAN: Were their leases up?

Mr. FAIRWEATHER: We bought the over-lease.

The CHAIRMAN: That has been explained to us as the premium you paid to get the lease of the building, subject to existing leases, I suppose?

Mr. FAIRWEATHER: We also bought the sub-lease.

The CHAIRMAN: You bought the sub-lease too. Then some compensation must have been given to those tenants on the ground floor?

Mr. FAIRWEATHER: No, sir.

The CHAIRMAN: Then I don't understand it.

Mr. FAIRWEATHER: The situation was simply this, that we negotiated the sub-lease for the period ending 1934 at a rental of $85,000 per year. The occupant of the building was the holder of the lease and he just simply vacated.

The CHAIRMAN: Well, you paid him a premium then in that $85,000?

Mr. FAIRWEATHER: Yes, in the $85,000.

The CHAIRMAN: So he did get compensation for vacating the occupancy, somebody did.

Sir HENRY THORNTON: Those are the facts as set forth in the memorandum.

Mr. GEARY: You can get that easily enough,—was he the owner, the occupant?

The CHAIRMAN: No, he was not the owner of the building. There was a lease for a period which runs out in 1934, and they took a lease in addition to that which they call an over-lease. I would call it a reversion, for a period of years —at a premium of $215,000, and the two together—

Mr. FAIRWEATHER: The $85,000, of course, entitled us to the occupancy.

The CHAIRMAN: That is what you paid for the occupancy, $85,000 for the immediate possession?

Mr. GEARY: That is what you agreed to pay.

Mr. FAIRWEATHER: Yes.

The CHAIRMAN: That was a premium. There was a premium in that, was there not?

Sir HENRY THORNTON: I presume there was.

The CHAIRMAN: You bought his lease at an enhanced rental?

Sir HENRY THORNTON: Yes.

The CHAIRMAN: And he made a profit.

Sir HENRY THORNTON: And that represented at that time what was considered to be, by real estate experts, a fair value, in fact, a reasonable value for that particular leasehold, because in New York,—and possibly other cities as well, —but in New York as we have tried to explain,—there is a business of dealing in long term leases and leaseholds, and those leaseholds have a value.

Mr. MACMILLAN: Mr. Chairman, in regard to the architect who remodelled those buildings—I forget the name.

Sir HENRY THORNTON: Warren & Whetmore..

Mr. MACMILLAN: Well, Mr. Archibald had nothing to do with it at all.

Sir HENRY THORNTON: No, Mr. Archibald had nothing to do with it at all.

Mr. MACMILLAN: That is a New York concern?

Sir HENRY THORNTON: Yes, that is.

Mr. GEARY: Sir Henry, what offices have you in London, England?

Sir HENRY THORNTON: We inherited the old Grand Trunk offices on Cockspur Street, almost right across from the Carlton Hotel. Those offices had been the

offices of the Grand Trunk Railway for a great many years and when the Canadian National Railways acquired the Grand Trunk, or the Government acquired the Grand Trunk, it also acquired that property.

Mr. GEARY: You carry on there, do you?

Sir HENRY THORNTON: Yes.

Mr. GEARY: That is ground floor, is it?

Sir HENRY THORNTON: That is a ground floor. And I think the building must be, as I recall it, four or five stories high, at least that. There are some other tenants in the building, but I don't know offhand who they are.

Mr. MACMILLAN: Do you know what rent you pay there?

Sir HENRY THORNTON: No, but I could easily find out. We own the building. The Grand Trunk owned that building; I rather think they built the building, but that was a long time ago and I don't remember.

Mr. GEARY: Aside from the hotel development up towards the park, is there a ticket office development up that way? I have in mind that Cockspur Street is pretty much all transportation, at least very largely shipping.

Sir HENRY THORNTON: Well, I don't know offhand Colonel, whether there are any other railways quite as far North as 53rd Street or not, but certainly there is a very important hotel development which has taken place. Incidentally a good many of those hotels are suffering just the same as other concerns are in these days.

Mr. MACMILLAN: Mr. Chairman, I would like to ask, what are the annual rentals of offices occupied by the Canadian National Railways in Boston, Detroit, Buffalo, Pittsburg and Chicago in the years 1928, 1929, 1930 and 1931.

Sir HENRY THORNTON: I have not got the information at hand, Mr. MacMillan but we can get it for you if you would like to have it.

Mr. MACMILLAN: Do you still occupy the Scribe Hotel in Paris?

Sir HENRY THORNTON: No.

Mr. MACMILLAN: What rental do you pay?

Sir HENRY THORNTON: None at all. We get our offices free,—free of all taxes and insurance and everything else except, I think, light. Do you want the answer to those other questions, Mr. MacMillan?

Mr. MACMILLAN: Yes, I would like to know what rentals you pay in Boston, Buffalo, Detroit, Pittsburgh, Philadelphia, Minneapolis, Los Angeles, Chicago and Portland.

Sir HENRY THORNTON: You mean for passenger and freight or what?

Mr. MACMILLAN: Both.

Sir HENRY THORNTON: You want the rental that we pay for offices in those various places?

Mr. MACMILLAN: Yes.

Sir HENRY THORNTON: We haven't it at hand but we can get it.

The CHAIRMAN: Mr. MacMillan would you include in that all the offices in the United States?

Mr. MACMILLAN: That would be all right.

Sir HENRY THORNTON: That is a fairly big undertaking, but we can get it for you.

The CHAIRMAN: How many offices in the United States have you?

Sir HENRY THORNTON: Perhaps Mr. Burnap can answer that question better than I.

Mr. BURNAP: We have passenger offices in Pittsburgh, St. Louis—

Sir HENRY THORNTON: We have got it here.

Mr. BURNAP: Boston, Buffalo, Chicago, Cincinnati, Cleveland—

Sir HENRY THORNTON: Cleveland has been closed.

Mr. BURNAP: Cleveland was closed March 1st. This is 1930-31. Pittsburgh, Detroit, Duluth, Los Angeles, Minneapolis, New York, Philadelphia, Portland, St. Paul, San Francisco, Seattle, Washington, D.C. I might say as regards Washington, D.C., our lease expired on May 1st and we abandoned the office and moved into a building right nearby where we pay a rental of $125 a month. We paid about $8,800 where we were.

Sir HENRY THORNTON: Per year?

Mr. BURNAP: Per year. We are saving about $7,300 in Washington. Every time a lease is about to expire the situation is reviewed to determine the advisability of continuing the office. Real estate all over the United States is a drug on the market. You have only to go up Fifth Avenue instead of to a mausoleum.

The CHAIRMAN: What was your business in Washington last year?

Hon. Mr. MANION: Might I suggest, just as a thought to the Committee, would it not be well to get from the company the gross cost, without going into all the details, of each office in the United States, and the gross receipts, that is, directly from each office. I think that would cover the whole ground. I mean, the Committee, if they wish to make any report about it, would be in a position to offer any suggestion or make any recommendation in that connection.

Hon. Mr. CHAPLIN: Well, Mr. Chairman, I think it is just as easy to give the particulars that go to make up the gross so that you can see and understand what it means.

Sir HENRY THORNTON: We are glad to give the Committee anything they want.

Hon. Mr. EULER: I think Sir Henry made a rather startling statement, that in connection with one of those offices in some city or other they were getting it rent free. Where is that?

The CHAIRMAN: That is the Hotel Scribe.

Sir HENRY THORNTON: That was in connection with the property which we acquired in Paris and that was leased to the Hotel Scribe. One of the terms of the lease was that we were to rent free of charge such office space on the ground floor as was necessary for our purpose.

Hon. Mr. EULER: That was rather a good deal then.

The CHAIRMAN: I would like to have the whole story.

Hon. Mr. CHAPLIN: I would like to know how much business comes out of that office.

The CHAIRMAN: It is rather an old story, the Hotel Scribe.

Hon. Mr. CHAPLIN: I would like to get the full information before I judge.

Sir HENRY THORNTON: I would like to ask, if I may, what questions you want me to answer or just what information you want. There have been a number of suggestions made and I am a little at sea as to just what information you want produced about those off-line offices.

Hon. Mr. CHAPLIN: Have the Canadian National Railways any other central offices in Europe other than in London and in Paris?

Sir HENRY THORNTON: No.

Hon. Mr. CHAPLIN: I would like to know what the railways received on freight first, and passenger business next, from this Paris office.

Sir HENRY THORNTON: We will give that to you.

The CHAIRMAN: And the United States offices.

Mr. MACMILLAN: I wonder if I could be told if the Railway Company are still operating a colonization department with agents scattered over Europe.

Sir HENRY THORNTON: No, that has been very materially reduced. The situation, Mr. MacMillan, is this: Due to the depression and the desire—and I think I may say the quite proper desire of the Government—that immigration should not be encouraged to the extent of bringing people into this country that we cannot feed and who cannot find gainful occupation—for that reason and for, as I have said before, the general state of depression, the immigration movement to this country has very considerably fallen off both in respect to the Canadian National Railways and the Canadian Pacific Railway, and as a result of that we have reduced our colonization and immigration department activities in Europe pretty nearly to the vanishing point.

Mr. MACMILLAN: What is that?

Sir HENRY THORNTON: We have reduced our immigration and colonization activities in England to what you might call more or less a skeleton, and the possibilities are that in view of the continued depression we will make still further reduction; in fact, I am quite certain we will.

Mr. MACMILLAN: You mean all of Europe?

Sir HENRY THORNTON: I am speaking of all of Europe.

Mr. MACMILLAN: How many men have you employed over there in that work now?

Mr. FAIRWEATHER: The total number on the payroll of this department at the end of 1931 was 78. That was in all countries, including Canada, the United States and Europe.

Mr. MACMILLAN: How many would there be in Europe?

Mr. FAIRWEATHER: I would have to look that up, Mr. MacMillan.

Mr. MACMILLAN: Would that number be the same last year?

Mr. FAIRWEATHER: Oh, no. It was 143 in the previous year.

Mr. POWER: What are those who are employed in Canada doing?

Mr. FAIRWEATHER: I have quite an interesting report on the activities of this department if you want to hear it.

The CHAIRMAN: Have we finished with the other? The Committee has the habit of jumping from one thing to another. I am not objecting to it at all. Have we finished with the question relating to those off-line offices, so to speak?

Mr. GEARY: You have been asked, Sir Henry, for information as to the Detroit office, and Chicago. You ran what was formerly the Grand Trunk.

Sir HENRY THORNTON: Grand Trunk Western.

Mr. GEARY: You have to have offices in Detroit?

Sir HENRY THORNTON: Yes, we have.

Mr. GEARY: And similarly in Chicago?

Sir HENRY THORNTON: Yes, we have.

Hon. Mr. MANION: May I just say one word and, I am doing this without any desire to criticize in any way. The reason I ask for the total gross from those American offices, both earnings and costs, is this: that after giving a good deal of attention to this question it struck me very forcibly that not only the Canadian National but other roads have been spending far too much upon passenger services and neglecting the really paying branch of the service, which is the freight. I say that because I had a statement, and I put it on record, from the officers showing that they lost in 1926 on all passenger business alone $4,000,000; and in 1931, $24,000,000. I am giving round figures.

Mr. McGIBBON: In that loss do you include the express which was carried?

Hon. Mr. MANION: No, the total passenger service. I really don't know what it includes but they gave it to me as a report of the total passenger losses.

Sir HENRY THORNTON: That would be passenger business strictly. It would not include express.

Hon. Mr. MANION: Absolutely; it would not include express.

Mr. GEARY: They charge for space on the train.

Hon. Mr. MANION: I mentioned it because I believe that if the committee comes to the same conclusion as I have come to there must be a very constructive suggestion to go from this committee with regard to that matter.

Hon. Mr. EULER: The Minister made the statement that he thinks too much has been spent on the development of the passenger traffic and on these offices. Now, he may be perfectly right about that. I have always understood that passenger busines was not a paying business; but you coupled with that the statement that they were neglecting the other branch of their business which, I suppose, means the freight business. Does that necessarily follow?

Hon. Mr. MANION: I did not mean it as my friend says. I did not mean they were neglecting the freight business, but they were emphasizing, for earning purposes, the passenger traffic. I say there are other railways as well as this, and I am not criticizing; I am pointing out what has appeared to me to be true; and when I speak of passenger services I do not mean only these offices, but the other things that come into the consideration, because we have been criticizing such things as hotels, radio, steamships and so on. They all come into the consideration, not only by this railway, but by others. Now, with regard to passenger traffic, it is the non-paying, continuously non-paying, increasingly non-paying branch of the railway business. That is one observation I have made, and I think it is absolutely correct and can be borne out by the figures.

Hon. Mr. EULER: I am not finding any fault with that. The only point I find fault with is that it is not fair to assume that if this is overdone—I do not know whether it is or not—is it fair to say that the other branch of the business, the freight business is neglected. You used that word.

Hon. Mr. MANION: I will answer that question. I think it has been, and I will tell you how. It is only this present year that either of these two great railway systems in the Dominion of Canada seems to have awakened to the fact at all that what was wrecking their passenger business and wrecking to a certain extent their freight business was the motor trucks and motor busses. Now, it seems to me, and I say this after a lot of thought, that both great systems have been more or less asleep at the switch for the past eight, nine or ten years so far as dealing with competition both for passenger and freight business offered by the motor busses and motor trucks. I think both railways should have—I am not saying this with any desire to criticize, but it is a point that has struck me very forcibly—I think the two great railway systems for the past ten years, seeing that these motor busses and motor trucks were creeping in very gradually on their business as they have done to a very considerable extent, should have been working up much sooner than they began some form of propaganda, if you will, as well as some program for combatting the motor bus and motor truck competition. That, I think, constitutes more or less of an answer. I did not mean to mention freight in any critical spirit at all; I was simply thinking that if they had put the energy into the freight service that they have put into the passenger service which has been increasingly and continuously losing, it would be better for the railways.

Mr. GEARY: Do you remember the operating ratio of passenger and freight service for 1931?

Hon. Mr. MANION: No, but I say from the figures I have given, that in 1926 the total passenger losses, from figures given by the Canadian National, were $4,000,000, and increasingly they have gone up every year until last year they were $24,000,000—a little less than $24,000,000—between $23,000,000 and $24,000,000.

Mr. GEARY: I haven't the least doubt you are right.

Mr. DUFF: Talking about the passenger service, we were told yesterday, I think it was, that by running these excursion trains from Ottawa to Montreal and by getting what I may term full trains or full carloads of passengers, the railway was able to make money although they reduced the rates 25 per cent. Now—

Hon. Mr. MANION: May I interrupt you; not 25 per cent, but 75 per cent.

Mr. DUFF: They were making money by getting trainloads of passengers. Now, it seems to me that if that statement is true, and in view of the fact that we have got to have passenger trains all over Canada in operation every day, it seems to me it would not be good business for the railway not to do everything possible to encourage the getting of more passengers. If you are going to cut out all the money expended in endeavouring to get passengers then the situation will be a great deal worse than it is to-day.

Hon. Mr. EULER: Suppose we admit that we lose money on the passenger traffic, we have to run passenger trains in any case—I do not suppose we can get away from that—if we do not make some effort to get more passenger traffic, would not our losses be increased?

Mr. DUFF: That is what I say.

Sir HENRY THORNTON: That is not an easy question to answer. If business begins to fall off you redouble your efforts to retain what you have got and to get more. Now, as I said at a previous meeting of this Committee, we have only got to the point—and I am afraid we are approaching it now—where no matter how you redouble your efforts there is no more business to be had. That is you are chasing what might be described as a mechanical rabbit. The maximum earnings from passenger trains as they are maintained, as I said, come from filling these trains. That is the basis of the whole thing. At the Liverpool street station in England, when I left there, we were handling 250,000 passengers a day in and out of that station. They were concentrated in the hours from about half-past seven to half-past nine and in the evening from something like half-past four to half-past six. Many of those passengers were carried at a ridiculous rate per passenger mile. Some passengers, as I recall it, were carried at something like ten miles for what would be tuppence half-penny or practically 5 cents; and yet that was not an unprofitable business because the trains were packed full of people, every compartment was full, and, in fact, not only full as regards seating capacity but passengers were standing in those compartments and we made money on it at those very low rates. So that the fundamental principle of making money out of your passenger business is filling the trains. Now, that is the reason why suburban passenger business, where you get it in large chunks as you do on the Long Island railroad around New York and the Delaware, Lackawanna and Western or the Erie railway, or the Great Eastern railway in England—that is the reason that the Metropolitan passenger business is so profitable. They have no de luxe trains, no dining cars, no parlour cars; they simply open the train and the passengers get in and fill it to the brim and then the trains pulls off to destination. That is the secret of making money out of passenger business.

Hon. Mr. MANION: May I ask a question. I am trying to be constructive for the Committee. That is why I mention these facts; I wish to be constructive to the Committee and to the railway. In view of the fact that the

losses from 1926 to 1931 inclusive increased every year in spite of large expenditures on passenger traffic, has it not got to the stage where both railways—because I presume the same condition would apply to the Canadian Pacific—has it not got to the stage where both railways should seriously get together with the idea that they would cut out anything in the shape of luxurious passenger service, or, at least, stop increasing luxurious passenger service, with the object of bringing up the earnings to meet the expenses?

Sir HENRY THORNTON: I think that is a perfectly sound statement and one with which no intelligent railway officer would differ. As a matter of fact, both railways have done that to a very measurable extent in reducing the number of passenger train miles. The statement was presented to this Committee and it was shown that we had taken off something like 4,000,000 train miles. Undoubtedly what the Minister has said is constructive and ought to attract the attention of intelligent railway officers, and is attracting their attention. Now, let me go to another point. Much of his is bound up in the question of competition which Mr. Euler and one or two other members of the committee referred to the other day, that your competitor does largely determine what you do yourself, and what you do yourself largely determines what your competitor does; but certainly if there were some pool, and it has been suggested—the general pooling of all passenger receipts, why we could unquestionably get rid of a great deal of these competitive implements which we now employ. There is no question about that. And that is one of the fruits which come from, we will say, amalgamation or near amalgamation or co-operation or any of those things that we may choose to call an effort towards reduction in unnecessary expenses.

Mr. DUFF: Would you say that your losses would be greater if you did not spend as much money endeavouring to get passenger traffic?

Sir HENRY THORNTON: Well, that is a pretty hard question to answer, Mr. Duff.

Mr. DUFF: I know it is.

Sir HENRY THORNTON: Certainly, the passenger business on every transcontinental railway is unprofitable; the long distance traffic is unprofitable; but you must not forget that in certain instances, in fact to a very material degree, the freight business is more or less involved with the passenger business. You cannot say entirely that the efforts that you make in the direction of getting passengers have no affect on freight, because they have. In other words, the prospective passenger to-day may be the prospective shipper to-morrow.

Mr. DUFF: You are spending a sum of money and endeavouring to get extra passenger traffic, and the question I asked you was this: If you do not spend as much money as you are to-day spending would you say that your losses on your passenger service would be greater?

Sir HENRY THORNTON: We would not get as much business, but unquestionably there would be a loss.

Hon. Mr. MANION: That is not true as far as big capital expenditures go, such as hotels and ships—such passenger accoutrements as hotels and ships, because this is an operating loss, not taking into account anything in the shape of interest or depreciation.

Mr. DUFF: The more passengers you have, the more business you have for your hotels and ships.

Hon. Mr. MANION: Apparently, the more passengers you have the greater your loss.

Sir HENRY THORNTON: I think you have also to consider the hotels of the Canadian National and the Canadian Pacific as part of the implements which attract this large tourist business to Canada. Certainly if the C.P.R. had no hotels and if we had no hotels there would be a material loss of business to the people of Canada. Now, I have said before to this committee that I would be delighted if we did not have a single hotel on this railroad, and I am not so sure that the Canadian Pacific does not feel the same way too; but we have both got into this jackpot and the only thing to do, as has been pointed out by certain members of the committee, is to try to co-operate, to co-ordinate our efforts so as to use what we have got to the maximum with the minimum of expense.

Mr. MCGIBBON: I was going to ask Sir Henry if he would be good enough to give me some figures. I would like the ratio between operating profit and the interest on the debt we owe to the public—not the Government—for the last ten years.

Mr. STEWART: I asked that question on page 196, according to the evidence.

Mr. DUFF: Would the officials be good enough to get for us the quantity of coal purchased from the Maritime Province mines, from the different companies, and the quantity from each company in the year 1931; that is to say, on the eastern division. I would also like the quantity purchased for this year's requirements.

Sir HENRY THORNTON: It would have to be the probable quantity to be purchased this year, because we do not know exactly what we will buy this year until the year is out.

Mr. DUFF: Yes, the mines, and the probable quantity.

Sir HENRY THORNTON: By mines?

Mr. DUFF: Yes, by mines, last year and this year.

Mr. GEARY: Are you running that mine in Pennsylvania?

Sir HENRY THORNTON: No, south eastern Ohio. Just at the moment they are all out on strike.

The committee adjourned to meet Thursday, May 12, at 11 o'clock.

House of Commons, Room 231,

May 12, 1932.

The Select Standing Committee on Railways and Shipping met at 11 o'clock a.m. Mr. Hanson presiding.

The Chairman: Sir Henry, have you any more information ready for the committee? We ought to dispose of all the questions.

Mr. Fairweather: A question was asked by Mr. MacMillan on Wednesday, May 11, 1932.

Rentals paid for Freight and Passenger offices, separately in the United States—(presumably off-line offices, and for years 1930 and 1931).

Answer:

Freight Offices

Location	Yearly Rental 1930	1931
Birmingham, Ala.	$ 390 00	$ 495
Boston, Mass.	9,978 16	9,611
Buffalo, N.Y.	5,400 00	5,400
Cleveland, Ohio.	1,656 00	1,656
Cincinnati, Ohio.	4,200 00	4,200
Duluth, Minn. (Frt. and Pass.) . .	3,600 00	3,600
Kansas City, Mo.	$ 1,158 00	$ 1,193 00
Los Angeles, Cal.	1,500 00	1,500 00
Memphis, Tenn.	750 00	731 25
New Haven, Conn.	1,350 00	1,350 00
New York, N.Y.	14,000 00	14,000 00
Omaha, Nebr.	1,259 39	1,293 46
Philadelphia, Pa.	1,650 00	1,800 00
Portland, Ore.	600 00	600 00
Pittsburgh, Pa.	1,650 00	1,650 00
St. Louis, Mo.	1,836 00	1,836 00
St. Paul, Minn.	1,395 00	1,860 00
San Francisco, Cal.	4,725 00	2,635 00
Seattle, Wash.	3,409 60	3,765 80
Toledo, Ohio.	1,320 00	1,320 00
Tulsa, Okla.	780 00	780 00

The Chairman: I thought we were asking not only for the yearly rental but for the cost of operating.

Mr. Fairweather: There are two questions. We are getting the information that Mr. McGibbon asked for. We can only give that information for nine years, and we took the liberty of changing it to that extent.

Mr. McGibbon: That is allright.

PASSENGER OFFICES

Boston, Mass.	$36,613 29	$36,973 37
Buffalo, N.Y.	15,000 00	15,000 00
Chicago, Ill.	50,000 00	54,166 71
Cincinnati, Ohio.	1,470 00	1,470 00
Cleveland, Ohio.	1,020 00	1,020 00
Detroit, Mich.	21,300 00	21,300 00
Duluth, Minn. (shown in Freight list).		
	Yearly Rental	
	1930	1931
Kansas City, Mo.	$ 762 00	$ 710 80
Los Angeles, Cal.	7,140 00	8,400 00
Minneapolis, Minn.	3,765 00	5,100 00
New York, N.Y.	(Submitted May 11th)	
Philadelphia, Pa.	24,999 96	27,083 29
Portland, Ore.	2,400 00	2,400 00
St. Louis, Mo.	612 00	612 00
St. Paul, Minn.	1,395 00	1,860 00
San Francisco, Cal.	5,775 00	4,565 00
Seattle, Wash.	5,114 40	4,186 20
Washington, D.C.	5,360 00	6,110 00

(NOTE.—Chicago and Detroit "Passenger" Offices are "On-Line" offices.)
OTTAWA, May 12, 1932.

By Dr. McGibbon:

Question: The ratio between operating profit and the interest on the debt we owe to the public—not the Government—for the last nine years?

Answer:

CANADIAN NATIONAL RYS. (EXCLUDING EASTERN LINES)

Year	Operating Ratio	Per Cent Net Rly. Rev. Available for Int. due Public	Per Cent Net Income Available for Int. due Public
1923.	91·7	60·2	38·5
1924.	92·5	46·8	38·5
1925.	86·7	81·9	75·2
1926.	82·5	120·9	106·1
1927.	83·5	106·8	94·6
1928.	78·9	140·1	117·2
1929.	86·5	99·5	80·4
1930.	88·0	52·0	42·6
1931.	95·7	13·7	5·4

Now I would like to explain that we are in a little quandary as to how to answer Dr. McGibbon's question, because according to our definition, operating profit is defined usually as net revenue from railway operations, and that is the figure which we have set up here. However, as possibly being more illustrative we also give the figure of net income available for interest due the public so that both figures are available—first, the net revenue for railway operations in its percentage to the interest charges due the public; and second, the net income available for interest charges in relation to the interest to the public.

Mr. MACMILLAN: What was the net income last year?

Mr. FAIRWEATHER: The net revenue from railway operations in 1931 was $7,585,729; net income available for fixed charges $2,969,470.

Hon. Mr. MANION: Does that include Eastern Lines?

Mr. FAIRWEATHER: No sir; that does not.

Mr. MCGIBBON: What I had in mind was this: I asked the Bureau of Statistics some time ago to give me the figures, and in 1923 the ratio was 20.1, 1924, the ratio was 70.2, 1925 the ratio was 17.7, 1926 the ratio was 19.5, 1927, the ratio was 19.4, 1928 the ratio was 31.8, 1929 the ratio was 18.9, 1930 the ratio was 15.0; which shows that the more money we have been spending the worse our ratio has got.

Mr. FAIRWEATHER: I am sorry, sir, unless I had the details of those figures I could not speak with regard to them.

Mr. MCGIBBON: That would indicate that the more money we have been putting into the railways the worse they have got.

Mr. FAIRWEATHER: But, sir, we are totally at cross-purposes. I am extremely sorry—the question that I understood you to ask was for the ratio between operating profit and the interest due to the public. The percentages which the Bureau of Statistics have furnished you are the percentages of gross revenue to total investment. It is a totally different figure.

Mr. MCGIBBON: The point is that the more money we have been putting in the worse the ratio has been getting.

Mr. FAIRWEATHER: The percentages that are stated here are the percentages of gross earnings to the total funded debt due the public on investments in Canadian government railways.

Mr. KENNEDY: For what year?

Mr. FAIRWEATHER: For the years 1923 to 1930.

By Dr. McGibbon:

Question: The ratio between operating profit and the interest on the debt we owe to the public—not the Government—for the last nine years?

Answer:

CANADIAN NATIONAL RAILWAYS

(Excludes Eastern Lines)

Year	% Net Rly. Revenue of Interest due Public	% Net Income Available for Interest of Interest due Public
1923	60.2	38.5
1924	46.8	38.5
1925	81.9	75.2
1926	120.9	106.1
1927	106.8	94.6
1928	140.1	117.2
1929	99.5	80.4
1930	52.0	42.6
1931	13.7	5.4

CANADIAN NATIONAL RAILWAYS

(All Inclusive System)

1922	13.5	3.5
1923	62.1	36.6
1924	49.0	37.2
1925	83.6	73.8
1926	123.6	105.6
1927	102.9	86.5
1928	133.6	107.6
1929	96.0	73.5
1930	43.2	30.8
1931	2.1	9.5

Mr. MacMillan: I think what Dr. McGibbon is trying to get at is that these figures show, according to Dr. McGibbon and according to the Bureau of Statistics, that the more money we put into the thing the higher your operating ratio is.

Mr. Fairweather: No. There is no mention of operating ratio here.

Mr. MacMillan: Well, operating revenue.

Mr. Fairweather: Yes, operating revenue.

Mr. McGibbon: The relation between your gross operating profits and interest on the debt to the public.

Mr. Fairweather: There is no gross operating profit here; it is the gross revenue; but before you can draw a financial picture you have to take the operating expenses into account.

Mr. McGibbon: Which makes it worse.

Mr. Fairweather: No. Now, the record of the Canadian National Railways from 1923 to date has been a record of increasing operating efficiency every year.

Mr. McGibbon: I may be wrong, but what I deducted from this is that the more money we have been putting into the railroads the ratio between gross receipts and interest on money we owe to the public has been getting worse. I think I am correct in that deduction.

Mr. Fairweather: Of course, I think, sir, what you are getting at is the relative traffic density of the road, and that is quite another matter from the ratio of earnings, net earnings to fixed charges.

Mr. McGibbon: However, we can let that stand and you can give me the figures later.

Mr. Fairweather: In 1923 the percentage of net railway operating revenue to interest due the public was 60·2.

Mr. McGibbon: Does that include Eastern Lines?

Mr. Fairweather: That does not. I can give you figures—in 1923—these figures are for the Canadian National Railways system as officially set up under the statutes of Canada.

The Chairman: That certainly would include Eastern Lines.

Mr. Fairweather: In 1923 it did; in 1927 they were excluded. I have a separate statement containing all-inclusive figures.

The Chairman: Hand it in.

Hon. Mr. Manion: May I suggest in passing that it is very confusing that one time we get figures that refer only to lines outside the Eastern Lines and on another occasion the figures include those lines. I think it would be much better to include the whole system in one statement, because, after all, they come into the results.

Sir Henry Thornton: What happened in that case was that prior to 1927, if I recall correctly, our figures did include Eastern Lines. When the Maritime Freight Rates Act was passed those accounts were segregated, and certain arrangements were made first by the Government to meet certain reductions in operating charges. At that time there was a line of demarcation drawn between them. We have changed, I think, our method of reporting in the annual report the operations of the Eastern Lines as compared with the whole system twice —I think I am right in saying twice—at the suggestion of this committee.

The Chairman: I do not remember what was the reason why the Eastern Lines were set out at the time of the Maritime Freight Rates Act. I opposed it at that time. What was the real reason?

Sir HENRY THORNTON: Well, you see, in 1927, certain reductions were made with respect to freight rates in the Maritime provinces, and the Government undertook by suitable preliminary action to make up the difference in the previous freight rates and the present freight rates.

The CHAIRMAN: We know all about that.

Sir HENRY THORNTON: That introduced a new distributing element into the picture, and it was thought better—we thought it would present a better picture if the two were kept separate, but it can be done either way.

The CHAIRMAN: Can it be changed back without legislation? Because I have been in correspondence with the St. John Board of Trade about that matter; they are very interested.

Hon. Mr. MANION: I do not think it can. I have inquired about it, and according to the Maritime Freight Rates Act, we have to keep the 20 per cent reduction and the deficit as a separate piece of book-keeping. Now, the whole matter of freight rates on Eastern Lines, the deficit and the 20 per cent reduction is an item of my department, and not an item at all of the railways.

Sir EUGENE FISET: A separate vote of the house has to be provided for every year, and it is subject to the Auditor General.

Mr. DUFF: I think, Mr. Chairman, the question goes back further than the Maritime Freight Rates Act. If I understand the matter correctly, what is known as the Intercolonial railway is still a Government-owned railway; it is not really under the Canadian National Railways.

The CHAIRMAN: So is the Transcontinental.

Mr. DUFF: And that is the reason why the account is kept separate. Under confederation the Intercolonial Railway was built for certain purposes by the Government and is still a Government-owned railway, and that is the reason why the two accounts are kept separate.

The CHAIRMAN: If that were so why did it not extend into Montreal; that was part of the Intercolonial?

Mr. DUFF: No; from Riviere du Loup. Separate rates were to be determined.

The CHAIRMAN: I understand what they did, but they did not take in the whole of the Intercolonial railway.

Hon. Mr. MANION: May I read clause 6 of the Maritime Freight Rates Act:—

> For accounting purposes, but without affecting the management and operation of any of the eastern lines, the revenue and expenses of the eastern lines, including the deduction herein authorized which shall be borne by the eastern lines, shall be kept separately from all other accounts respecting the construction operations or management of the Canadian National Railways.

The point is that it is not only because they are owned by the Government—because the National Transcontinental is also owned by the Government and it runs away up to Winnipeg, and it is not kept separately except in the books of the company, and it is not brought in separately to the House; but according to the Maritime Freight Rates Act, the Eastern Lines' accounting must be brought in in a different way.

The CHAIRMAN: There is no doubt about the principle of the law; but there never was any reason why it should be; it was a purely arbitrary principle in this Act, and the cutting off at Diamond Junction and Levis was also a purely arbitrary thing.

Mr. DUFF: Let me make myself clear. If I understood it correctly, when the Bill was introduced in parliament in 1919, I think it was, the amalgamating

of the Canadian Northern and the Grand Trunk Pacific and some other lines, the Intercolonial railway was left out of that amalgamation because it was a Government road and for certain reasons was built for specific purposes. The Intercolonial railway was not included. It is true that the management of the Intercolonial railway was passed over to the Canadian National Railways, but it is not really a part of the Canadian National system, as far as ownership is concerned. That is my understanding.

The CHAIRMAN: That is right. You are quite correct.

Mr. CANTLEY: I want to point out this fact. There is a misconstruction or a misapprehension on the part of a great many people in regard to the Maritime Freight Rates Act. Now, what happened was this: When railway rates generally were raised in 1916, the ratio or increase on the eastern division was very much greater than it was on the other sections of the Canadian National Railways. There is no doubt about that. To partially remedy that, the Maritime Freight Rates Act was passed by the government. It did not cover the case at all; it only partially covered the case. We had what were called horizontal increases in the tariff. Now, if you go into that question, it is a complicated question I will admit, no changes have been made in regard to horizontal increases which mitigated against the eastern sections as much as 80 per cent as compared with the central portion of the road in Ontario. Now, these are conditions which still exist and the relief we got under the Maritime Freight Rates Act did not go 50 per cent to correct the injustice which was perpetrated on us in 1916 and which still continues without any amelioration so far as horizontal freight rates are concerned.

Hon. Mr. MANION: Do you mean to suggest that at the present the rates from the Maritime provinces into the central portions of Canada are higher than the rates for a like distance in some other portions of Canada?

Mr. CANTLEY: I do.

Hon. Mr. MANION: I will not agree with that.

Mr. CANTLEY: If you will be good enough to read the report of the Duncan Commission you will find what happened.

Hon. Mr. MANION: I have read the Duncan report.

Mr. CANTLEY: There is the question of horizontal rates—I do not know whether that has reference to it or not—but I know the facts. Now, there is the question referred to by parliament. The Maritime Freight Rates Act should apply as far as Montreal, Montreal being the gateway. That is where we in the Maritime provinces must meet the competition of Great Britain and the continent and other portions. Instead of that we are cut off in the woods, 200 or 300 miles away. That is the situation, and I want the committee to understand that that is the situation.

Hon. Mr. EULER: I think the statement made by Col. Cantley causes a good deal of surprise.

The CHAIRMAN: He has been making it for the last six years, the same statement.

Hon. Mr. EULER: I have not heard him make it before. That does not make any difference; I want to get at the fact. I understood him to say that the Maritimes are still paying freight rates that are higher than they are from Ontario points. Am I correct in that?

Mr. CANTLEY: That is true. Since the 1916 revision of the tariff.

Hon. Mr. EULER: Now, my information is that from points such as my own city it costs just as much to carry certain lines of goods from my city to Montreal as it does to carry them from points in the Maritime provinces, under the Maritime Freight Rates Act and the adjustments and reductions in the rates on the eastern division. If I am wrong I would like to know it.

Mr. CANTLEY: I would like to tell my friend another thing. We have a zone of 1,000 miles on which the same rates are applied, and we get no conditions. In Ontario you have 8 or 10 sections in a 1,000 miles. All those conditions are operating against us and they have operated against us.

Hon. Mr. EULER: What is the distance from Montreal to Moncton, 1,000 miles?

The CHAIRMAN: Oh, no.

Hon. Mr. MANION: There is certainly one misunderstanding, and I can give one instance where it is not true according to what Col. Cantley says. I happened to come up against the potato rate and I found that the distance from the head of the lakes to Toronto is about the same distance as from Halifax to Toronto or from New Brunswick to Toronto, and it is considerably longer from Prince Edward Island to Toronto, yet the rates from the Maritime Provinces are about half the rates from my city of Fort William to Toronto.

Sir EUGENE FISET: I might mention the fact that in 1924 a deputation of the House of Commons, Liberals and Conservatives, approached the railway commission on potatoes to secure a special rate of 43 cents a bushel to 29 cents for the Maritime Provinces, creating a long haul zone to a point east of Riviere du Loup.

Hon. Mr. MANION: Mr. Burnap, the freight Vice President, is here and I would like to have Mr. Burnap answer that question.

Mr. POWER: I would like to inform the members of the committee that I have been briefed by the Quebec Board of Trade, and paid to present this question before the Board of Railway commissioners. It has been postponed several times, and I want to include Quebec in the Maritime zone. Col. Cantley says it does not do any good. I would like to include the city of Quebec in the Maritime zone. I am speaking now as a lawyer paid to do the job, and I will be quite willing to plead this before the committee.

Mr. MCGIBBON: I do not believe we ought to go into this freight rate discussion.

The CHAIRMAN: I do not think so. I am, perhaps, as much to blame as anybody. I quite agree that I do not think we can do anything.

Hon. Mr. EULER: I would not like to have a wrong impression go out. Is it true that we in Ontario get a lower rate for similar distances than they get in the Maritime Provinces on anything whatsoever? Is it not true that we pay more. We have never kicked in Ontario about giving freight rates to the Maritime Provinces, and the province of Quebec and the province of Ontario pay most of it, but we have not raised any objection. However, I don't like any unfair statements to go out from this Committee.

The CHAIRMAN: We carry our fair share.

Hon. Mr. EULER: Mr. Chairman, I would like to ask whether we can get an answer to that question.

Mr. BURNAP: Mr. Euler has asked a blanket question and I don't object to it, but if I am going to give any testimony about freight rates from the Maritimes, or to the Maritimes on either class rates or commodity rates, I would like to answer it specifically and correctly by placing an exhibit on the file.

Hon. Mr. EULER: You might say something with regard to the matter generally.

Mr. BURNAP: I can say this generally, Mr. Euler, that the rates are reduced 20 per cent westbound from the Maritime Provinces, east of Diamond Junction and Levis, and when it comes to the eastbound rates there is no change made from western Canada into the Maritime Provinces, but if you want specific information

I don't want to take it out of my head, I want to take it out of the tariffs and give it to you correctly. In answer to a question that was asked I might say that the distance from Moncton to Montreal is 653.8 miles.

Hon. Mr. MANION: You might put on record rates for like distances, for the information of the Committee.

Mr. BEAUBIEN: I would like to inform Mr. Euler that as far as Western Canada is concerned we are discriminated against also.

The CHAIRMAN: If we get into this question of freight rates we are going to be sunk because nobody understands freight rates; they have just grown up like Topsy.

Mr. FAIRWEATHER: Mr. MacMillan asked a question:

> Question: Did the President receive money in lieu of rent dating back from the meeting of the Board of Directors of the 23rd day of September 1929 up to the time that the house was secured by lease; also what the amount of money was?
>
> Answer: An adjustment was made with the President in respect to rental as of the date of his present contract in accordance with the resolution of the Board of Directors, September 23, 1929, and the minutes of the meeting of the Executive Committee, March 24, 1930.
>
> Amount refunded $5,000 for 10 months October 1, 1929, to July 31, 1930.

Mr. MACMILLAN: Mr. Chairman, just on that point, I would like to have the Minute of the Meeting of the 23rd September, 1929, read.

Mr. POWER: Mr. Chairman, are these already in the record?

The CHAIRMAN: They are in the record now. I cannot give you the page but it is here. What date was that, Mr. MacMillan?

Mr. MACMILLAN: 23rd September, 1929. Board of Directors Meeting.

The CHAIRMAN: On the 23rd September, 1929, the Board of Directors passed a resolution authorizing the leasing of a suitable residence. Shall I read it?

Mr. POWER: Isn't it already in the record?

The CHAIRMAN: It is in the record. The Board of Directors on September 23, 1929, passed this resolution:

> Resolved that in the matter of the leasing of a suitable residence for the use of the Chairman and President of the company in Montreal, the resolution adopted by the Executive Committee in this respect at its meeting of September 17 is approved, and the Committee is hereby authorized to lease a suitable and properly equipped residence for the use of the Chairman and President of the company under such terms and conditions as the Committee may subsequently deem proper.

That, I think, refers to the Executive Committee.

Mr. MACMILLAN: Does that include a retroactive feature?

The CHAIRMAN: No.

Sir HENRY THORNTON: In that connection there was the resolution passed by the Executive Committee of the Directors on March 24, 1930, which has already been given, and which reads as follows:—

> The President then left the meeting and reference was made to the resolution of the Directors passed on September 23, 1929, regarding the provision of an official residence for the President and to the unsuccessful efforts made to secure one.
>
> It was decided that in order to carry out the intention of the directors as from the date of such resolution an adjustment should, when the residence was purchased, be made with the President in respect of rentals, as of the date of his present contract.

The CHAIRMAN: And that adjustment was made on that principle?

Mr. MACMILLAN: Mr. Chairman, that meeting of the Executive Committee, the minutes of which have just been read, was held after the Directors Meeting which was referred to. This was on the 24th March, I presume, 1930?

The CHAIRMAN: Yes.

Mr. MACMILLAN: The Directors Meeting was on the 23rd September, 1929, and I want to know if there is any retroactive features in the minutes of the Directors Meeting.

The CHAIRMAN: Well, they speak for themselves; I cannot say that there is; I don't think there is.

Mr. MCGIBBON: That might make that $5,000 illegal.

The CHAIRMAN: That is a question of law which I am not called upon to answer.

Mr. GEARY: Are the minutes of the Executive Committee later on confirmed by the Board or adopted?

Sir HENRY THORNTON: Yes.

Mr. GEARY: Well, if they were adopted and approved by the Board I think that would go to the legality of the matter.

Hon. Mr. EULER: That makes it legal again, I suppose.

The CHAIRMAN: There would be ratification of it, anyway. Let us leave it at that.

Mr. FAIRWEATHER: Mr. Kennedy asked the following question:

Question: What is the cost of passenger service and the cost of freight service which takes in capital investment and the cost of operation as well?

Answer: For the year 1931 including Eastern Lines:

	Freight Service	Passenger Service
Revenues	$157,163,630 41	$43,341,531 59
Expenses	132,181,353 54	67,131,641 89
Net Operation	$ 24,982,276 87	$23,790,110 30
Ratio—Revenues to Expenses	84·0	155·0
Capital Investment in:		
Freight train cars	$248,014,938 89	
Passenger train cars		$69,827,749 59

Mr. GEARY: That is book value, is it?

Mr. FAIRWEATHER: That is book value, cost of acquisition.

The CHAIRMAN: Without depreciation?

Mr. FAIRWEATHER: That is the book value without depreciation.

By Mr. Stewart:

Question: Salaries, fees and expenses paid by Canadian National Railway or any of its subsidiaries to G. A. Gaston from 1923 to date?

Answer: $372,800.20 includes $57,886.10 expenses and $654.54 director's fees and expenses.

That is in connection with the Central Vermont.

The CHAIRMAN: The director's fees?

Mr. FAIRWEATHER: Yes.

Mr. GEARY: Just to go back, do you carry any depreciation except depreciation reserve on your equipment?

Mr. FAIRWEATHER: Well, sir, it depends whether our property is in the United States or in Canada. In the United States, under the Interstate Commerce Commission regulations it is required that one set up a depreciation figure against equipment. In Canada there is no such regulation and we follow retirements accounting. We do not pyramid our capital account. There is no pyramiding of the capital but we do not practice depreciation.

Mr. MCGIBBON: Mr. Chairman, might I have an explanation of the enormous fees and expenses hat were paid to Mr. Gaston, something aggregating about $65,000 a year for a term of five or six years?

The CHAIRMAN: I have no desire to shut off anything, but that was all discussed, as I understand it, on a previous occasion?

Mr. MCGIBBON: No.

The CHAIRMAN: Well, then, if I am wrong, the question is in order.

Hon. Mr. EULER: Where were these expenses incurred?

Sir HENRY THORNTON: I was about to give you a statement with respect to the question that has been raised.

Shortly after I came to Canada in my present position, and after a consultation with the legal department and also consultation with the then Deputy Minister of Railways, Major Bell, it was quite evident that the accounting, the books, the listing of securities was in a highly chaotic state. We had something like, as I recall it, 150 mortgages. I am giving you a round figure. It might have been more than that. But it sticks in my mind it was something like 150 different mortgages all with different rates of interest covering different parts of the railway, with different dates of maturity, different conditions, and some were guaranteed by the provinces, and some were guaranteed by the Government; some mortgages would be a first lien on the property of the company for a certain number of miles, three or four hundred miles, and for an adjoining three or four hundred miles a second lien, and the more the question was examined the more chaotic it seemed to be.

Most of these conditions were the inheritance from previous private administrations, that is to say, the old Grand Trunk Railway in particular, and also the properties which were generally known as the Canadian Northern or the Mackenzie and Mann properties. There were a number of cross agreements, partly with the Government and some with the provinces in regard to these financial documents. It presented perhaps the most difficult mess of financial documents, liens, mortgages and so on that I think ever confronted any business enterprise and, with a view to trying to catalogue, arrange and put on paper these different obligations and their significance, it was thought wise by the Board at that time, and by the Government, as I recall it, of that day, that there should be employed some outside agency which could give its entire time to the investigation of that highly complicated problem.

There were also such things as the purchase by the Government of the Canadian Northern Stock, for instance, which, as I recall, was purchased for $10,000,000 and then was taken into the books of the Government—I think I am right in saying this—at its par value of $100,000,000. That is just an illustration of some of the rather extraordinary and difficult things which had crept into the financial structure of the Canadian National Railways.

The old Grand Trunk System as I recall it—in fact I recall it very distinctly—had never kept very accurate accounts of their corporate financial position, and that too had fallen into a pretty chaotic state. For instance, we found on one property which was owned by the Grand Trunk Western a lease which was something like fifty years old the terms of which had been entirely ignored and forgotten. That is only another illustration of the complete ignorance—if one might use that term—that our accounting department was in

with respect to the financial structure of the company. So, acting upon the resolution of the Board, I investigated to see who we could get to investigate the whole question, and we employed Mr. Gaston for that purpose. The amounts paid to him involved not only compensation for his personal efforts but also involved the employment of a considerable number of accountants, clerks and others to investigate this complicated question.

Now, Mr. Gaston worked on that and made reports to myself, had discussions with the Deputy Minister of the day, and the Minister of the day from time to time with respect to the financial situation; and finally, as a result of that, after several years of work, we got all of these various liens, mortgages and documents and instruments catalogued and knew pretty well what we had. After that was done we then undertook to see if there could be prepared some form of revised financial structure which any intelligent business enterprise would be prepared to adopt in order to put the financial position of the company on a solvent basis, if possible; and, at any rate, to put it in an orderly fashion; and a report was prepared, but subsequently—I think it was in 1929 or 1930, I am not sure, but I think it was 1929—the report was presented to the Government. It was discussed and various opinions were expressed, but we never came to any conclusion with respect to it, largely, I think, because it involved some very important questions of bookkeeping on the part of the Government itself. I think it was really in 1931, that work having been finished, there being no probability of anything being undertaken by the Government with respect to this financial situation, Mr. Gaston's services were dispensed with.

Mr. MacMillan: When was that?

Sir Henry Thornton: That was, as I recall, April 14, 1931.

Mr. McGibbon: Was there nobody on your staff competent to do that work?

Sir Henry Thornton: No, there was not, doctor.

Mr. McGibbon: Was there nobody in Canada. Did you have to go to the United States to get an American to do this work? I would also like to ask, did not this man Gaston offer to stay here for $15,000 a year?

Sir Henry Thornton: No, I have no recollection nor do I think such a proposal existed.

Mr. McGibbon: Then I would like to have a segregation of that amount to know how much was paid to others.

Sir Henry Thornton: Well, we will try to get that.

The Chairman: Might I ask you this question? Was there anybody having knowledge to that of Mr. Ruel with the ramifications say, of the Canadian Northern System, or was it necessary in view of his knowledge to bring in a man at $50,000 a year to do that work?

Sir Henry Thornton: Well, that was discussed at the time by myself and some of the more important officers of the company who advise me with respect to all matters of that sort, with the Board of the day, and we concluded that the procedure which was followed was the best course to pursue—just as you have on the Royal Commission to-day two distinguished gentlemen in the transportation field, one from England and one from the United States who have been called in to sit upon the Royal Commission. I might say that perhaps that might have been limited to purely Canadians, and yet on the other hand it is not unusual. Sir Andrew Duncan, for example, has been called to Canada three times to deal with matters relating to the Maritimes; and Mr. Ackwith, who was a very eminent economist and railway student, was brought to this country, as I recall it, by one of the previous Governments; and also Mr. Smith, who was the president of the New York Central of that day, and I think the present President of the Lehigh Valley also was called upon.

Mr. BEAUBIEN: And also Sir Alexander Gibb was brought from England to investigate the ports of Canada.

Hon. Mr. CHAPLIN: Mr. Chairman, besides this high salary that was paid by the Canadian National Railways to Mr. Gaston, is it not true that $12,000 more a year was paid to him as Receiver for the Central Vermont a few years ago, and how long did that continue?

Sir HENRY THORNTON: I think the Central Vermont was in receivership for some time, and the figures that have been given just recently are inclusive figures. Mr. Gaston was appointed a receiver of the Central Vermont by the Federal court of the United States.

Hon. Mr. CHAPLIN: On whose recommendation was that made? He was a full time officer at that time of the Canadian National Railways, and was being paid for his full time, yet he drew besides $12,000 in salary because of his receivership in the Central Vermont.

Sir HENRY THORNTON: That was the figure fixed by the Federal judge.

Hon. Mr. CHAPLIN: It must have been recommended by some official of the company.

Sir HENRY THORNTON: We made no recommendation at all with respect to his remuneration as a receiver of the Central Vermont.

The CHAIRMAN: Who recommended his appointment?

Sir HENRY THORNTON: The Canadian National Railways, of course.

The CHAIRMAN: Is it not true that another receiver was engaged on the Burlington Vermont?

Sir HENRY THORNTON: That is true.

The CHAIRMAN: And the amount of his receivership fees was $12,000 a year, and they were paid by order of the same court, but were deducted from his annual salary.

Sir HENRY THORNTON: I don't know.

The CHAIRMAN: That is the information that has been given to this Committee before.

Sir HENRY THORNTON: I do not know. I will have to look that up. I cannot answer.

The CHAIRMAN: That is my recollection at all events.

Mr. MACMILLAN: I should like to know who this man Gaston is.

Sir HENRY THORNTON: If you like I shall tell you all I know about Mr. Gaston. Would you like that information given?

The CHAIRMAN: The Committee has asked for it.

Sir HENRY THORNTON: Mr. Gaston was, at the time the war broke out, in private practice in New York, doing a financial business, of just what nature I do not know, excepting that he was associated with one or two rather important banking houses. I remember very well shortly after the war broke out he came to England representing a company which he had formed, known as Gaston, Williams and Wigmore, and he asked me to give him a letter of introduction to the Mechanical Transport Department of the War Office, which I did. He went to the War Office and met whoever was in charge of the Mechanical Transport Department, represented correctly that he had certain commissions from automobile manufacturers in the United States to sell cars, trucks, mechanical transport, to the British Government. I recall that he told me after that conversation, he sold some four or five hundred—I forget the amount—trucks to the British Government, and deliveries were made. These deliveries were so satisfactory, and they were satisfactory because he himself, as I understood it, owned three or four freight vessels, and was able

to provide his own transportation from the United States to England. At that time ocean companies were in tremendous demand, and one of the problems which confronted the British Government was not only in purchasing supplies in the United States, but to get quick and immediate deliveries in England and in France.

Well, the upshot of the first negotiations with the British Government was that they wished to go further. They asked him what his terms were with respect to the sale of further automobiles, and he told the Mechanical Transport Department that they could fix their own terms. Now, I don't know what those terms were, but at any rate, the British Government at that time fixed the terms and he accepted them.

Mr. MacMillan: Terms as to payment?

Sir Henry Thornton: Terms as to price and payment, and things of that sort. I personally know nothing about that.

Hon. Mr. Chaplin: It looks as if he fixed his own terms too, in Canada.

Sir Henry Thornton: Well, I do not think that is a question I am required to answer; seeing it is put in that particular way, I do not intend to answer it.

Mr. McGibbon: Sir Henry, would you—

Sir Henry Thornton: You asked me to give a statement and I am trying to make that statement. Now, the result of that was, at the time the war ended, I understand that Gaston, Williams and Wigmore had sold the British Government—I will say roughly—about 15,000 trucks, and I remember seeing a letter which the head of the Mechanical Transport Department had written to Mr. Gaston, thanking him for his services, which they said were of great value to the British Government, and generally a letter of complimentary character. After the war was over, he continued in business, and when I came to Canada early in 1923, after looking about to see if we could find someone who would take up this duty and perform it, I concluded, on account of the excellent service he had given to the British Government, and the Allies, that he was the proper person to so employ.

Hon. Mr. Euler: Just to get the record straight, and to get the thing clear in my mind, I understood you to say that the sum that was paid to Mr. Gaston was some $60,000. I understood you to say also that that included remuneration for a staff of assistants such as accountants, clerks and others. There is one other point I want to get clear, because Mr. Chaplin asked it, and that is whether the $12,000 that was paid Mr. Gaston as a receiver of the Central Vermont—I thought he rather thought that that was in addition to the $60,000, but did I understand you to say that that was included in the $60,000?

Sir Henry Thornton: It is included in the figures we have given.

Hon. Mr. Chaplin: It is not included in the $50,000.

Sir Henry Thornton: That is perfectly true, that is true.

Hon. Mr. Chaplin: It is in addition.

Sir Henry Thornton: That is true.

Hon. Mr. Chaplin: That is my understanding. It may be included in the full figures of expenses and salaries that have been given to the committee.

Sir Henry Thornton: So it is.

Hon. Mr. Chaplin: That I do not dispute, but the $12,000 is certainly in addition to the $50,000.

Sir Henry Thornton: That is quite true.

Hon. Mr. Euler: Is it possible to get this: what amount definitely and distinctly went to Mr. Gaston?

The Chairman: They have asked to have the figures broken down.

Sir HENRY THORNTON: I shall try to get that.

Mr. MCGIBBON: On behalf of the officials of the Canadian National Railways, and the people of Canada I object to the insult that has been given here to-day as to their incompetency to do the work.

The CHAIRMAN: Well, I don't know—

Hon. Mr. MANION: Mr. Chairman, I have been sitting here listening to this discussion and debating just whether I should take any part in it or not. I know all about Mr. Gaston, I think, and I have been hesitating very much about saying anything, and yet if I do not say something, there may come a day when I will be accused of listening to the discussion and not opening my mouth, and consequently I think I should say a few words about Mr. Gaston.

When I became Minister, it was drawn to my attention that Mr. Gaston was getting $62,000 a year. That was the story that was told me by officers of the company. I asked Sir Henry about it, and what Mr. Gaston was doing that he should get $62,000 a year, and Sir Henry explained the financial end of it as he has here to-day. I do not know whether it was at the original meeting with Sir Henry in regard to that or not, but on one occasion early in my administration of the department Sir Henry asked me if it would be satisfactory to keep Mr. Gaston at $25,000 a year, because I had made it clear that from my information Mr. Gaston was not necessary for the good of the railway at $62,000, a year. I agreed at that time to his staying on at $25,000 a year. Later the question came up again, brought up I think by some of the officers of the railway itself, to me, not by Sir Henry but by someone else, I understood on behalf of Sir Henry—at least on behalf of the Canadian National or Sir Henry, I don't know which—I was asked if I would agree to Mr. Gaston's remaining on the National road at $15,000 a year. I said that I knew of no reason why he should be paid $15,000 per year, because I understood he was performing no duties, and consequently Mr. Gaston went back to the United States.

The CHAIRMAN: What is the next thing?

Mr. FAIRWEATHER: The question asked by the Chairman, as follows:

> Complete statement of Archibald contract, copy of the contract, statement of what it involved as it has been carried through, what the actual expenditure is under it, along with a statement of the engineering cost of the system's own engineers and architects engaged in the same work.

This is the answer:

> There are two contracts with regard to Mr. Archibald:
>
> (*a*) Arrangement with the Company regarding his services as architect for certain Canadian National Railway hotels.
>
> (*b*) The contract between the Canadian National Railway Company and Terminal Architects and Engineers, of which latter organization Mr. John S. Archibald is a partner. As regards (*a*) above, attached hereto is a copy of correspondence interchanged between Mr. S. J. Hungerford and Mr. John S. Archibald which establishes the basis of his agreement with the Company regarding Canadian National hotels, together with an extract from the minutes of the executive committee meeting of the Directors of the Canadian National Railway Company authorizing same.
>
> As regards (*b*) attached hereto is a copy of an extract from the minutes of the meeting of the executive committee of the Directors of the Canadian National Railway and an extract from the minutes of a meeting of the Board of Directors of the Canadian National Railway Company with regard to the Terminal Architects and Engineers, together with a copy of the agreement which was entered into between the parties February 6, 1930.

(*c*) The total amounts paid to John S. Archibald under (*a*) above are as follows:

1927	$ 45,000 00
1928	110,000 00
1929	180,000 00
1930	165,000 00
1931	159,406 50
1932 to date	30,000 00
	$689,406 50

outstanding accounts and estimated fee for the complete hotel works $385,083.34.

The CHAIRMAN: What is the total of these?

Mr. MCGIBBON: Does it total almost to a million dollars?

Mr. FAIRWEATHER: The total is $1,074,489.84.

Mr. DUFF: The fees are on a commission basis.

Mr. FAIRWEATHER: Those are fees on a commission basis as set forth in the agreement.

Mr. DUFF: For work done?

Mr. FAIRWEATHER: Yes; standard architects' fees.

The CHAIRMAN: That is only in relation to hotels.

Mr. FAIRWEATHER: That is in relation to certain hotels. shall I read this list?

The CHAIRMAN: Can you tell us briefly just what the rate of the commission is, and how much.

Mr. FAIRWEATHER: The architectural commission to be five per cent on the total cost of the hotel, including the cost of special decorations and special furniture for public rooms, but exclusive of the following: 1. Power plants; 2. Cost of bedroom equipment such as furniture, bedding, rugs, curtains, pictures, etc; 3. Cost of dishes, kitchenware.

The CHAIRMAN: Furnishings of public rooms?

Mr. FAIRWEATHER: Yes. There is a note here. "An additional fee of 2½ per cent to be paid to the architect upon the cost of plumbing, heating, ventilation, electrical and similar mechanical works." These fees are in accordance with the standard architects' fees, I may say.

The CHAIRMAN: They are never reduced in any circumstances, having regard to the huge expenditure?

Mr. FAIRWEATHER: I have a statement here showing representative fees, and they seems to be very much in line. For instance, the Parliament Buildings, the fee was 5 per cent; the Sun Life Building in Montreal, I believe the fee was 5 per cent, plus a service charge; The Royal Bank Building in Montreal, 5 per cent, plus a service charge; the Toronto Union Station was 5 per cent plus 3 per cent for service; the Federal Parliament buildings at Australia was 6 per cent plus service.

The CHAIRMAN: All I can say is we are just wasting our time. We had better get into the architectural business right away.

Mr. BEAUBIEN: Like the lawyers they do not reduce their fees.

Mr. FAIRWEATHER: "The amounts paid to Terminal architects and Engineers as per agreement to December 31, 1931, $336,613. Further amounts payable under the contract are dependent upon the resumption of the terminal work and the extent to which the works are completed. The contract is at

present suspended by mutual agreement between the parties but without prejudice to any rights in the case of cancellation."

The CHAIRMAN: It is not terminated, just suspended.

Mr. FAIRWEATHER: Suspended.

(*e*) The engineering, architectural, clerical and inspection costs incurred by the Canadian National for the supervision and co-ordination of the works covered by (*a*) amount to $96,917.82 for the complete period 1927 to date.

The CHAIRMAN: That is your own staff, is it?

Mr. FAIRWEATHER: Yes. Not doing the same work, but it is the co-ordination and inspection of the work.

(*f*) Similar cost applicable to the Montreal Terminals, $53,020.86.

Mr. GEARY: Have you the gross amount?

The CHAIRMAN: Just one moment. Mr. Chaplin has the floor. Perhaps it would be as well to follow up your question, though. The gross amount of work done.

Mr. FAIRWEATHER: The total expenditures which fall under the purview of the hotel contracts of Mr. Archibald, will, when completed, amount to $24,860,439.14.

Mr. GEARY: Roughly, how many years?

Mr. FAIRWEATHER: That runs from 1927.

Hon. Mr. EULER: Were the commissions he received entirely on standard rates?

Mr. FAIRWEATHER: I should say, judging from the figures I have read of representative architectural fees, I should say so.

Hon. Mr. EULER: Would he have a staff of assistants employed?

Mr. FAIRWEATHER: Well, he would have to have—I have had some experience in structural engineering myself—I should say that he would probably in his peak time, when he was designing the hotel, have possibly upwards of 100 draughtsmen.

Hon. Mr. EULER: Which he had to pay out of the five per cent commission.

Mr. FAIRWEATHER: Oh, yes.

The CHAIRMAN: Of course, that is understood.

Mr. MCGIBBON: Was there any competition when you were engaging architects?

Sir HENRY THORNTON: No, I do not think there was. Mr. Hungerford, can you say anything about it at all; can you say anything about the circumstances connected with Mr. Archibald. I do not remember it myself very definitely.

Mr. HUNGERFORD: I really do not know who suggested Mr. Archibald in the first instance; but we had to have an architect at that particular time, and Mr. Archibald had a high reputation in the city of Montreal and across the country, as a capable architect, and it was suggested in some way, by somebody, that he be employed for the purpose. It seemed to be a matter of general consultation between the directors at the time.

The CHAIRMAN: Between them.

Mr. HUNGERFORD: And certain of the executive officers. The matter came to me in that way, and I could see no objection to employing Mr. Archibald, and the arrangement was made on the most favourable terms we could.

The CHAIRMAN: Was it ever suggested that some other architect be consulted and figures obtained? This is a huge contract.

Mr. HUNGERFORD: Well, it started this way, Mr. Chairman. The first consideration was the extension of the Chateau Laurier at Ottawa. That is how the connection was established in the first instance.

The CHAIRMAN: Was there any competition among architects for that job at that time?

Mr. HUNGERFORD: Not so far as I know.

The CHAIRMAN: There never has been, as a matter of fact.

Mr. HUNGERFORD: No, I don't think so.

Sir HENRY THORNTON: I do not know but what there is the question of professional practice that creeps into it, but I am not competent to express an opinion on it; I don't know.

The CHAIRMAN: It frequently happens in any public buildings, bids are made for competitive business.

Mr. POWER: May I say this, Mr. Chairman, the fee is always the same. I am asking for information.

Mr. FAIRWEATHER: Of course, I was going to say this: architects are organized into established societies.

The CHAIRMAN: The same as lawyers.

Mr. FAIRWEATHER: The same as lawyers; and they had a schedule of minimum fees below which it is not ethical to take a job. These minimum fees are set up and are public property; they are set out in the statutes of the various provinces, and the fees that were paid Mr. Archibald were those minimum fees of the province of Quebec.

The CHAIRMAN: I do not think that is strictly correct, that they are set up by statute in various provinces; that may be so in some provinces.

Mr. POWER: They are in Quebec.

The CHAIRMAN: Perhaps they are.

Hon. Mr. CHAPLIN: I would like to inquire if during the life of this contract with Mr. Archibald there was any other contract similar in any other departments of the railway applying to Mr. Archibald?

Sir HENRY THORNTON: No. I feel quite sure there is not. We employed Mr. Archibald as the outside architect just as you would employ an outside doctor or an outside lawyer, and he gives service under that contract. I know of no other contract at all.

Mr. MACMILLAN: With regard to fees, it is true that in all these structural contracts you can include a great many different items. Decorating was included and certain classes of furniture on which he gets a commission, so that the picture, when you say it is a satisfactory thing, is not just correct. These things are not satisfactory.

Sir HENRY THORNTON: It included certain things and excluded certain other things. When it came to a matter of bedroom furniture, I remember saying myself that that is something which the—

Mr. MACMILLAN: Surely no sane man would pay an architect 5 per cent to go out and buy bedroom furniture and rugs.

Sir HENRY THORNTON: That is not exactly what did happen. It was excluded.

Mr. MACMILLAN: I am just pointing out that when Mr. Fairweather says that the matter is covered by an Act in the different provinces, it is covered only so far as the fees they are to get is concerned. The matter of decorating or designing certain furniture is not covered by that Act at all.

The CHAIRMAN: Sir Henry, you said that the commission on bedroom furniture was not included in the contract as finally signed. Is it not a fact that it was included, as originally contemplated, but was subsequently excluded?

Sir HENRY THORNTON: You will have to ask Mr. Hungerford about that.

Mr. HUNGERFORD: I only had charge of the hotel department up to a certain time, and up to that time that is not so.

The CHAIRMAN: I would like to know how much this man Archibald and his associates have got from every point of view, from the time of his first employment in the Chateau Laurier up to the present time?

Sir HENRY THORNTON: I think the statement includes that. That is all inclusive.

The CHAIRMAN: Is it not true that he can still enforce his rights on the terminals contract, whether you build it or not?

Sir HENRY THORNTON: That is a matter of law.

The CHAIRMAN: Perhaps it is not a fair question to ask you.

Sir HENRY THORNTON: What we have done there is this: We have put the contract with the Terminals Engineers and Architects in abeyance, and those sums are being paid on that account now.

The CHAIRMAN: By mutual agreement.

Sir HENRY THORNTON: Should we resume at any time, of course, we would have to give consideration to any rights which this firm known as Terminal Architects and Engineers might have; but, at any rate, the fact remains that so far as that contract is concerned it is inoperative and in abeyance. What the legal rights might be of any individual as a party to that contract is a matter of law and I cannot say anything about it.

Hon. Mr. EULER: Has he made any demand since the discontinuance of the work?

Sir HENRY THORNTON: No

Mr. DUFF: He is only paid for the work he does.

Sir HENRY THORNTON: As far as the terminal is concerned, he is only one of two or three others.

The CHAIRMAN: Mr. Fairweather, does the memorandum which you submitted and which was given to the reporter include the contract designated as "A" and the contract designated as "B"? I would like to have the committee read those contracts.

Mr. FAIRWEATHER: Yes, both contracts are filed.

The CHAIRMAN: Let us have them in the minutes.

Mr. GEARY: The thing that strikes me as being unusual about this is the fact that there is no competition in regard to price, apparently, and the unusual feature is that it is a contract extending into the future for such building as might be undertaken, for which at the moment I see no necessity because you are going to pay the same fee in any event. You get no advantage by making a contract extending to future buildings.

Sir HENRY THORNTON: What is the situation, Mr. Hungerford?

The CHAIRMAN: Does the contract with respect to hotels include any future buildings that the railway may build?

Mr. HUNGERFORD: Not as far as I know.

Mr. GEARY: The contract is for each building.

The CHAIRMAN: No. The contract for all the buildings they had under way including the Vancouver hotel and the Saskatoon hotel.

Mr. MCGIBBON: And the Montreal terminal.

The CHAIRMAN: No. That is a separate contract.

Mr. MCGIBBON: It is the same man.

Sir HENRY THORNTON: Not quite. Mr. Archibald is only one. My recollection is that there is included in the architecting service engineering which would include plumbing and lighting and structural engineering. Mr. Archibald is, as far as the terminal is concerned, only one of three or four.

The CHAIRMAN: Mr. Archibald has made a separate set-up in the corporate capacity with respect to the Montreal terminals, and he is associated with the engineer who built the Quebec bridge.

Mr. FAIRWEATHER: Monsarrat and Pratley.

Hon. Mr. CHAPLIN: Is that contract before the committee? Will that be in the record?

The CHAIRMAN: Yes.

Mr. DUFF: I do not think it is quite fair to state that. As I understand the matter, it is a company matter.

The CHAIRMAN: It is pretty hard to dissociate the individuals from the company in this case.

Mr. DUFF: You should do so. There are four or five hundred men in this work.

Hon. Mr. EULER: I want to clear up one point. The intimation is thrown out that the contract is made under which the company has retained Mr. Archibald for future construction that might be undertaken. I understand him to say it does not.

The CHAIRMAN: That was the question.

Mr. HUNGERFORD: I had better make a general statement. With respect to hotels, there are no further commitments whatever beyond the contracts for the hotels that have been completed or are now under construction. With regard to the Montreal terminals I would like to explain the situation that confronted us when we came to the point where we had to make arrangements for the designing of the structures on the station area. The Montreal terminal development consists not only of the development of passenger facilities in the centre of the city, but of new lines, grade separations and various other features scattered over a large area. At that particular time, we had a great amount of engineering work to do in connection with the railroad as a whole. There were many large works going on, notably the Toronto grade separation work but we determined that outside of the station area our own engineers would undertake to do all the work. That is to say, the viaduct, the outside lines, the subways, bridges and all of those things.

The CHAIRMAN: Under Mr. Brown?

Mr. HUNGERFORD: Under Mr. Brown.

Besides having so much other work to do, the development of the facilities in the station area was of such a complicated character that we did not feel we had men competent to handle the work and to do so would have necessitated creating a very extensive and expensive staff. The work was exceedingly complicated because of the fact that all of the railway facilities were generally below ground level; there were several floor levels involved and something like five streets intersecting the area.

On account of the facilities being below ground we wanted to utilize the surface areas for leasehold purposes and this necessitated designing the structure of the railway facilities in such a way as to support buildings that might be erected on the leasehold areas in the future. In order to permit of this being done it was necessary to roughly design these future buildings so as to determine their weight, etc., and also their requirements with respect to water and steam

pipes, sewers, and other service features for which provision would have to be made in the railway facilities beneath.

Taken altogether it was one of the most complicated jobs that I have ever heard of. There was no one single firm in Canada we knew of that had sufficient experience to undertake the job as a whole. There were several firms in the United States, but it was not thought advisable to consider them in connection with the matter. Under these conditions involving a combination of architectural work, structural and bridge engineering and service engineering as well as the projection of the future buildings that we hoped would be built by other people above the railway facilities, we decided that the best thing to do was to emulate the plan in connection with the Toronto Union station, where they created an association of outstanding engineers and architects to carry on the work. We selected those men that we thought, generally speaking, were best qualified and invited them to form a partnership or some kind of an association to take on the work on the same general basis as had been done in connection with the Toronto Union station by the old Grand Trunk and Canadian Pacific Railways.

Of the men selected Mr. Hugh G. Jones had been employed for some time before in making tentative studies and was perhaps the most experienced architect in the country on passenger stations and similar railway facilities. Naturally, he was given consideration as he had already given the matter a great deal of study. Mr. Archibald was of course, already identified with the company in connection with hotel works. Monsarrat and Pratley were the outstanding structural and bridge engineers in the country and the firm of Wilson and Kearns might be considered outstanding in service engineering. We had had business relations with all of these firms and the results had been satisfactory. We asked them if they would form an association of some kind to undertake the architectural and engineering work and after much discussion and consideration an arrangement was finally worked out, which we regarded as satisfactory, and was on the basis of fees usual in architectural and engineering practice.

There was however, one peculiar feature which goes a little beyond that. The desire was to make provision for the possible erection of buildings on the leasehold area in the future, as such areas were extensive and a large revenue might reasonably be expected therefrom. The arrangement in that respect was that we should pay one-quarter of one per cent to tentatively design such buildings so that suitable provision could be made in the railway facilities to carry them and provide them with essential services and the amount earned on this account was arrived at in this way: After the buildings were tentatively designed to the maximum size that the city building by-laws would permit, their cubic space was to be taken and an average cost per cubic foot was agreed upon and the fee was to be based upon the estimated cost of the buildings arrived at in this way. The only continuing feature in connection with the contract is that if in the future the works are constructed and anyone wants to lease an area and put up a building the contract provides that the company shall, subject to its own best interests use its best influence to have the lessees of the surface area employ these people to design the building.

The CHAIRMAN: But there is no obligation.

Mr. HUNGERFORD: No, there is no obligation.

Hon. Mr. MANION: As a matter of information, with the terminals shut down at the present time, and supposing the work does not go on at all, have Archibald and his associates any financial return coming in the future at all.

Mr. HUNGERFORD: Well, that, I suppose, is a legal question, but I assume that they would have a certain ground for establishing a claim in the same way as in connection with the cancellation of any contract.

Hon. Mr. MANION: So that at the present time, as it has not gone through any courts, it is really not known whether they have rather large claims or not. I read the contract as an ordinary layman, and it came to me that the shutting down of the work did not shut them off from collecting their full fees, as if the work went on, except with regard to certain works which they could not perform.

Mr. HUNGERFORD: Perhaps I might explain the situation. When the work was suspended, of course, no one knew whether the work would be resumed or not. We do not know yet. The work of designing the structure was in progress. A great many studies had been made over a long period of time to develop the best facilities at the lowest cost possible, and the results of those studies were not completely recorded. The drawings and plans did not fully record the results of all the studies at that time, and if the architect's work had been stopped at that time and the work resumed at some future time it would have been necessary to restudy practically the whole question. So we made an arrangement with them under which, for a limited sum covering a period of five or six months, they would bring the drawings to a condition satisfactory to the chief engineer.

Hon. Mr. MANION: I remember that because you put it before me at the time and I agreed with it.

Mr. HUNGERFORD: That is the situation at the moment. A further term of the agreement is that without prejudice to the rights of either party the whole matter is suspended.

The CHAIRMAN: It is indefinite.

Mr. HUNGERFORD: Indefinite.

The CHAIRMAN: For no particular period.

Hon. Mr. MANION: There was a discussion in regard to hotels. I know you are not as familiar with the hotels as with these other contracts, but certainly, according to my recollection, Mr. Archibald was to get an architect's fees on the furnishings of the hotel, and later, I am going by my memory—later that was discontinued after some talking over by myself and others of the Government. Do you know anything about that?

Mr. HUNGERFORD: My recollection of the matter is this: His commission on the ordinary furniture was allowed under the original arrangement but after a certain date I have no knowledge of what transpired.

Hon. Mr. MANION: Was there not an agreement made later, after the regular architect's agreement, wherein Mr. Archibald came in for his commission on the furnishings and that was later refused?

Mr. HUNGERFORD: I do not know.

Hon. Mr. MANION: I have that recollection, and Mr. Anderson says he remembers it distinctly, that Mr. Archibald was to get, whether through the agreement or by a separate agreement, a commission on the furnishings on the hotel which, after a discussion that arose here at Ottawa, was taken out of the agreement, and as a result he was not to get any commission on the furnishings of the hotel. I have that fairly well fixed in my head.

Sir HENRY THORNTON: I do not remember very definitely the facts which you relate. I do not mean to say they are not correct; I do not remember them. I do remember, however—I do not quite recall how it came about—the question of whether the architect, that is to say, Mr. Archibald, was entitled to a commission on what you call the ordinary run of mine furnishings in the hotel, such things as bedroom furniture and kitchen utensils.

Now, whether that grew out of the conversation with yourself or not I cannot recall, but I do remember quite distinctly saying that irrespective of whether there was anything in the contract or not, I did not feel that the com-

pany was justified in paying a commission on the purchase of furnishings which the Purchasing Department could quite adequately carry out. Just exactly how it came up I cannot recall. I don't know whether it was in the contract or not, but I know it was left out finally.

Mr. GEARY: Mr. Chairman, it does seem to me that it would be inadvisable for this committee to express any opinion on the contract, and still more inadvisable that we should seek to commit any of the officials as to liability under this contract.

The CHAIRMAN: I quite agree from the legal standpoint.

Mr. GEARY: Probably the Minister was quite right in permitting the work to go on, the work that was on hand.

Hon. Mr. MANION: It was explained to me by Mr. Hungerford at the time that there were certain plans which were in course of preparation and that they felt it was an economical proposal, if the terminal was ever gone on with, that they should have those plans and they could get them by the payment of a comparatively small amount of money, and I entirely agreed with him.

The CHAIRMAN: For the benefit of the committee who did not hear this correspondence, I may say to you that I am advised there is no formal contract with respect to hotels, but it is comprised in two letters, one addressed by Mr. Archibald to Mr. Hungerford, of the 7th November, 1928, and one from Mr. Hungerford to Mr. Archibald, dated November 19, 1928. I notice that letter is marked personal. I do not see why it should be. However, I am going to read those letters and it may clarify the situation.

JOHN S. ARCHIBALD,
Architect

November 7, 1928.

S. J. HUNGERFORD, Esq.,
Vice-President,
Canadian National Railways,
Montreal.

DEAR SIR:—

Re: Addition to Chateau Laurier, Ottawa

As a result of our conferences, the following understandings will apply in connection with the above-mentioned work:—

(*a*) Although there are considerable alterations in the present building, in view of the size of the new section, the work to be considered as a "new construction" and not as an "addition or alteration."

(*b*) The architectural commission to be five per cent (5 per cent) on the total cost of the Hotel, including the cost of special decoration, and special furniture for public rooms, but exclusive of the following:—

1. Power Plant.
2. Cost of bedroom equipment, such as furniture, bedding, rugs, curtains, pictures, etc.
3. Cost of dishes, cutlery, kitchenware, etc.

An additional fee of two and one-half per cent ($2\frac{1}{2}$ per cent) to be paid to the Architect upon the cost of plumbing, heating, ventilation, electrical, and similar mechanical works.

(*c*) For the above-mentioned fees, the undersigned to furnish complete architectural and engineering services, and employ and pay for all professional and consulting services required, including consultation in respect of general design, and special furniture and decorations for public rooms.

(*d*) A resident Superintendent of Works to be employed during the work by the Company; said Superintendent to report jointly to J. S. Archibald and J. Schofield.

(*e*) Mr. J. Schofield's name to appear on all drawings and specifications as "Associate Architect". Mr. J. Schofield and Mr. Walter Pratt to be consulted with respect to all architectural work. All plans must receive the approval of Mr. Walter Pratt.

(*f*) During the carrying out of this contract, the Company to furnish to the Architect and two of his employees, free passes for direct transportation between Montreal and Ottawa. All other transportation and hotel expenses to be paid for by the Architect.

(*g*) No day charge to be made by the Architect for any time spent by himself or staff in visiting the work.

(*h*) The Architect to furnish the Company, free of charge, vandyke copies of all working drawings and specifications, said vandyke drawings and specifications to be furnished shall be those showing the building and parts as actually constructed.

It is further understood and agreed that the foregoing shall apply to the construction of the new Canadian National Hotel and Station at Halifax, N.S., and the new Hotel at Vancouver; and in connection with these latter projects, the Railway Company shall furnish free passes (subject to the usual conditions) for myself and such of my assistants as may be agreed upon from time to time, for the purpose of facilitating supervision of the work, and the Railway Company will likewise assume the personal expenses of myself and staff as may be incurred in necessary visits to Halifax and Vancouver.

Yours faithfully,

(Sgd.) JOHN S. ARCHIBALD.

Now, this letter from Mr. Hungerford is marked "personal" but it is produced. I see no reason why it should have been marked personal.

Mr. MCGIBBON: It isn't marked confidential, it is marked "personal".

Mr. HUNGERFORD: I may say, Mr. Chairman, there is no reason why it should have been marked "personal".

The CHAIRMAN: It is addressed to Mr. Archibald:—

Personal

DEPARTMENTAL CORRESPONDENCE

November 19, 1928.

John S. ARCHIBALD, Esq.,
Architect,
1134 Beaver Hall Hill,
Montreal, Que.

DEAR SIR,—I have your letter of November 7th, wherein you enumerate the terms and conditions applicable to your engagement in connection with the extension to the Chateau Laurier at Ottawa, and the new hotels to be constructed at Halifax, N.S., and Vancouver, B.C.

Such terms and conditions as well as the understandings relating thereto, as outlined in your letter above referred to, are satisfactory to the Canadian National Railways and this letter may be accepted as official confirmation in this respect.

Yours faithfully,

H/M *Vice-President.*

Now, Sir Henry, I note that this only relates specifically to the additions to the Chateau Laurier and the Vancouver and Halifax Hotel, but apparently there has been an extension to all other hotels,—is that correct?

Sir HENRY THORNTON: The only other hotel would be the Saskatoon.

The CHAIRMAN: Saskatoon was not mentioned. It has been extended, then, to the Saskatoon Hotel too?

Hon. Mr. MANION: That seems to be very clear in regard to the furnishing of the rooms.

The CHAIRMAN: He didn't do the Charlottetown Hotel?

Sir HENRY THORNTON: No.

The CHAIRMAN: Now, I would like to ask further if there were any other consulting engineers or architects in relation to any of these hotels who were paid by the railways outside of Archibald.

Sir HENRY THORNTON: No, there were not.

The CHAIRMAN: Well, were there any other consulting architects?

Sir HENRY THORNTON: I don't know who Mr. Archibald may have consulted with, but we have no knowledge of anything of that sort. Our contract was with Archibald and that covered everything.

The CHAIRMAN: He agreed to pay, if there is any doubt about that.

Hon. Mr. MANION: If you have done with the hotel business, I just wanted to answer a question of Mr. Duff's as well as I could. It was really asked in the House but I suggested that he might ask it in the Committee, and perhaps Sir Henry or any of the officers might correct me if I do not explain it in quite the proper way. It is in regard to the bonds issued for the Sunnybrae-Guysboro Line. Mr. Duff said he understood that bonds had been issued for the Sunnybrae-Guysboro Line to the full cost of the line.

Mr. CANTLEY: To the amount of $4,000,000?

Hon. Mr. MANION: Yes, but that some of that money had been spent for other purposes.

Mr. DUFF: I didn't say that.

The CHAIRMAN: What he said was that the amount should be available for completion of the road.

Hon. Mr. MANION: All right. Well, then, that it either was not spent or had been spent for other purposes. I am simply trying to answer the question. I am informed, after making inquiries, that the money raised for the purpose of building branch lines, such as the Sunnybrae-Guysboro Line, is not raised as a distinct bond issue on that particular branch line, but is raised in a lump sum, and as it is used for an individual branch line it is charged up to that, so that there is no money distinctively used for an individual branch line. Does that make it clear?

Mr. DUFF: Yes, except this, Mr. Chairman, that that proves my contention that bonds were sold not only sufficient to cover the cost of the construction of the Sunnybrae-Guysboro Road, but also other branch lines in Canada. If that is true then my statement was quite right, that out of the money raised on bonds for different branch lines there was a sum of $4,000,000, or about that, which should have been set aside—and was intended to be set aside—to build the Sunnybrae-Guysboro Railway, and under those circumstances, in view of the fact that the railway raised money both for this particular branch line and others then I say that that money is available, or should be, for the purpose of completing this line, and the line should be completed.

Hon. Mr. MANION: May I reply to that briefly. I do not know as to the exact amount that was raised. It is quite possible Mr. Duff is correct in regard to the full amount being raised, but in the bill last year—as in the bill this year—

there is a clause which permits the management of the road if they choose, or the directors if they choose, through the management, to take money which was raised for additions and betterments, which would include a branch line, and apply it to the deficit on interest.

Last year there was orginally some $20,000,000 in the estimates for additions and betterment, and of that I think only $7,000,000 was spent, in round figures, and $13,000,000 of it was used for applying to the deficit on interest to the public. So that is quite according to the Act.

Mr. DUFF: That may be quite true, Mr. Chairman, but that does not change the fact that my statement was correct. What I stated was that a sum of $4,000,000—the actual sum if I am right was $3,500,000 plus 15 per cent, which would make it about $4,450,000. I was correct in making the statement that that amount was raised on bonds for the specific purpose of building the Sunnybrae-Guysboro Railway. And I still contend that my statement was absolutely correct; and I might go further and say that, in my opinion, whilst the law might give the railway power to use that money for other purposes, yet it was raised for a specific purpose under an Act passed in 1929, and I claim that that money should be available for the completion of that road.

Hon. Mr. MANION: I am just going to ask Mr. Anderson, the counsel of the department, to give it in legal terms, or from a lawyer's standpoint; there is a slight difference, because he takes the attitude that it was not allocated distinctively for one line or any individual line, that there was a $70,000,000 issue covering not only the branch lines and various additions and betterments, but other various budgetery requirements and that, therefore, according to the Act, it was simply allocated as the management saw fit.

Mr. DUFF: Mr. Chairman, that may be quite true, but yet, if I understand it, the railway makes up a budget for moneys required for different purposes, and I would like Mr. Anderson, if he is going to give an explanation, to say if it isn't true that in the budget which was made up to make the gross amount of money required, that in that budget a certain amount, say $4,000,000 or $4,250,000 was included for the building and completion of the Sunnybrae-Guysboro Railway from the bonds sold and the moneys came into the Treasury of the Canadian National. I would also like to know if this money went into the consolidated revenue, the money from the bonds raised—

Hon. Mr. MANION: I can answer that, as far as that goes. This year's bill gives three items:

(*a*) Net income deficits, amounting to $42,000,000;
(*b*) Equipment principal payments, etc., amounting to $11,000,000;
(*c*) Construction and betterments (which would include branch lines) amounting to $7,000,000;

The total being for this year $61,500,000; but this is the clause that applies:

> Provided, however, that for such purposes the aggregate principal amount at any one time outstanding of the securities which the company is hereby authorized to make and issue from time to time shall not exceed the sum of $61,500,000; and provided also that should the net income deficit mentioned in paragraph (*a*) of this section exceed the amount therein mentioned any such deficiency may be met from the amount mentioned in paragraph (*c*) which latter amount shall be reduced accordingly.

That is according to the Act of last year and this year also

Mr. DUFF: I don't object to that.

Hon. Mr. MANION: That covers it.

Mr. ANDERSON: The budget did not take care of branch line items. They are in their own particular Bill and they would not be included in the budget each year.

Mr. DUFF: What about the money raised to take care of branch lines?

Mr. ANDERSON: Under the authority of each branch line Act the amount raised is not necessarily taken or earmarked for the full amount of any one particular branch line. When the $70,000,000 issue was made—

Mr. DUFF: How would you arrive at the amount?

Mr. ANDERSON: Well, then, if there was no money and there was some of the branch line moneys that was raised, that was taken care of in the supplementary estimates for 1931 passed by the Committee here and passed by the House this year providing that some $7,000,000 that had been raised by these bonds under the authority of the Montreal terminals, the branch lines, and some of the budget, was authorized to be used to meet the deficit for last year. For instance, some $7,000,000 was authorized by parliament this year to be transferred for these other purposes; that would take care of any moneys left available for branch lines last year.

Mr. DUFF: That does not answer my question, but was there not a distinct item in that budget of $4,250,000 or thereabouts raised for the purpose of building the Sunnybrae-Guysboro Road?

Mr. ANDERSON: There would not be in the budget, Mr. Duff.

Mr. DUFF: Well, where was it; how do you arrive at the amount?

Mr. ANDERSON: Because that comes under its own Act.

Mr. DUFF: All right. Do you then raise certain moneys for the building of branch lines—say $4,250,000 necessary for the building of the Sunnybrae-Guysboro Railway—was that included in the budget or in the total amount for which bonds were afterwards issued?

Mr. ANDERSON: Yes. The authority for raising money under the branch lines bills was used for certain amount of that $70,000,000, but just how that was apportioned I don't know, and, as I understand it, in the accounting end of it they were not specific or earmarked at all for any one branch line because they could always have the authority to issue up to the full amount authorized whether it was spent this year or not; they would still have their authority.

Mr. KENNEDY: You mean switch the money?

Mr. DUFF: What I am getting at is, it was necessary to have a certain amount of money raised on bonds for the purpose of building branch lines, and what I would like to know is, in the raising of a certain amount of money was there $4,500,000 included in the amount and in the sale of the bonds for the building of this particular railway?

Mr. ANDERSON: I don't think so, Mr. Duff. As far as I understand it from the officers in the accounting end of the department it was not used, it was not earmarked. They couldn't say that the $4,000,000 was issued for that particular branch line.

Mr. DUFF: Then how do they arrive at the amount that was required to build the Sunnybrae-Guysboro Railway?

Mr. GOBEIL: I notice Mr. Vaughan is here. Would you permit me, Mr. Chairman, to ask a question?

The CHAIRMAN: Certainly.

Mr. GOBEIL: Some three or four weeks ago the member for Temiscouata, Mr. Pouliot, made reference in the House to the purchase of a certain quantity of wild strawberry preserves by the Canadian National Railways from a certain gentleman, J. Gobeil, Laprairie, who happens to be my brother. I would

not bring this matter before this Committee were it not for the fact that Mr. Pouliot in his remarks went so far as to suggest, or perhaps insinuate, if I may use that word, that I used my influence as a Member of Parliament to obtain an order from the Canadian National in favour of that gentleman, J. G. Gobeil, I would like to ask Mr. Vaughan if he can give some information to the Committee in regard to this transaction.

The CHAIRMAN: I think Mr. Vaughan might give the information.

Mr. VAUGHAN: I did not know about this personally, but when that matter came up in the House I made some inquiries about it and from what I could ascertain the matter was brought to the attention of our Commissary purchasing agent through one of the sleeping and dining car agents who was asked if he could not provide some wild strawberry preserves, and he set about to see where he could get it, and he found that Mr. Gobeil was about the only man in Canada who handled wild strawberry preserves. He had tried to get it from various other concerns but he was unable to do so. There are some other companies in Canada, like the Canadian Canners, who handle domestic strawberry preserves, but there were no other concerns that handled wild strawberry preserves other than Mr. Gobeil, and our dining car department tell me we have had a very big demand for those wild strawberry preserves.

The CHAIRMAN: I think you are cleared, Mr. Gobeil—not guilty.

Mr. GOBEIL: I would ask Mr. Vaughan if the customers of the company seem to have been satisfied with the preserves. I would like to know if there has been any complaints.

The CHAIRMAN: I am advised by the President that those strawberry preserves are very popular. Mr. Vaughan, you did not seem to get the point of Mr. Gobeil's question. Mr. Gobeil's question was: was there any political interference on his part to get this contract for his brother?

Mr. VAUGHAN: Not that I know of.

Mr. DUFF: There is no political interference in your department, or there has not been.

Mr. VAUGHAN: We say not.

Mr. GOBEIL: I wish to say I had nothing whatever to do with the contract with the Canadian National.

The CHAIRMAN: I think you are perfectly cleared, Mr. Gobeil.

Mr. KENNEDY: I should like to ask a question, Mr. Chairman, before we adjourn. I have been reading this analysis of the 1931 operations as compared with 1930, page 3, and the statement regarding the revenue ton mile per mile of road (thousands), and the revenue passenger mile per mile of road, Canadian National is 886, and the Canadian Pacific 1,000, and the Class 1 roads of the United States 1,852. Then, the passenger is 60, 82 and 129. Now, considering the trouble they have had over in the United States, does it look as if we will ever get this trouble in connection with railway deficits; or is the road with a small amount of traffic per mile of road, in just as good a shape as the road with a greater density per mile of road. That seems to be a first class problem.

Sir HENRY THORNTON: The answer to that is this: the figures which you have given and which are in this report on page 3, really represent traffic density on the Canadian National, the Canadian Pacific, and certain railways in the United States. The Canadian Pacific, as compared with the Canadian National in general, being an older railway, serves a more densely populated area than the area served by the Canadian National, which is only another way of saying that a large percentage of the—at least a measurable percentage of the mileage of the Canadian National Railways has been built for settlement

and development purposes, in advance of that settlement, and we will not reach the traffic density of the Canadian Pacific until a settlement and development on our lines gets up to their line. The Canadian Pacific has been in existence as a railway, I suppose, since the early eighties. When that railway was built it chose a part of Canada through which to build its line, which represented an area which would develop the most quickly. At that time the agricultural possibilities of the Northwest of Canada were relatively unknown, and it is probably not unfair to say that the discovery and development of the Marquis wheat, which is a form of wheat which thrives in northern territory, was at the time the Canadian Pacific was built, unknown.

Now, the discovery of the Marquis wheat and the future history of that type of wheat really, in my judgment, made the Northwest of Canada the agricultural country that it really is; but to go back to your question. We will not have the same traffic density as the Canadian Pacific; we will be under that disability of traffic density or inferior traffic density until such time as development of the country gets up to a large percentage of our mileage.

Mr. KENNEDY: What about the troubles of the United States class 1 roads? I understand that situation regarding the Canadian National Railways and the Canadian Pacific Railways; but what about the United States roads where the traffic is nearly twice as great as the Canadian Pacific, and yet this new finance reconstruction association has loaned them millions and millions of dollars. What is the difficulty?

Sir HENRY THORNTON: Briefly speaking about the railway problem in the United States, these class 1 railroads in the United States enjoy a larger traffic density than either the Canadian National or Canadian Pacific, because they are built through a much more densely populated country. They are suffering from the same conditions which afflict the railways of Canada to-day. And I say that if you take the railways of the United States, particularly the class 1 roads, you will find it cost more to build, and more to operate, relatively speaking, and all factors considered, than is the case with our Canadian railroads. I do not know that I can discuss the question very much in detail, because it is purely an academic question; but they are suffering from simply a recession of traffic density. They were probably built, the class 1 railroads in the United States were probably built to carry a much greater traffic density than is the case with our Canadian line, and they are suffering accordingly, and suffering more. Can you throw any further light on that question, Mr. Fairweather? You have studied it.

Mr. FAIRWEATHER: Yes, I have studied it. Of course, this is a very technical problem. I think what you had in mind, sir, is this: is there any hope of ever getting out of what looks like a terrible financial mess. Well, the answer to that is this: It is bound up in the development of Canada, of course. But I can say this, if the Canadian National Railway could ever succeed in reaching a traffic volume equal to that which we enjoyed in 1928, 1929 and 1927, those three years, if we ever got back to that, or roughly to that traffic volume, there would be no railway problem as far as the Canadian National is concerned.

At such time I would be willing to say that we would produce available for interest at least $75,000,000 per year, if we had to-day the traffic of 1928, the increase arising out of the fact that we would progressively increase the operating efficiency every year, even during the years of depression. When you put a critical analysis upon the operations, you find that by the measuring stick of absolute operating efficiency, we have been increasing our efficiency. It is a bit technical, I will admit but it is something that is my job, and I follow closely the operating efficiencies of all roads I can put my hands on. The increase in operating efficiency of the Canadian National has paralleled the growth of increase in efficiency in class 1 roads in the United State, so long as

they had this traffic density, but here is an interesting thing: the Canadian National through this period of depression, succeeded in increasing its absolute operating efficiency, and class 1 roads in the United States were not able to do it. In other words, our operating efficiency, measured by the units by which the technical man measures operating efficiency, has been increasing; and if we get the traffic of 1928 back, we would have at least $75,000,000 avalaible for interest charges.

Mr. McGibbon: I should like to ask you a question, Mr. Fairweather. What savings could be made in the operating expenses of last year?

Mr. Fairweather: What savings. Well, we made a very great saving.

Mr. McGibbon: I am asking you how much.

The Chairman: Can you answer that offhand, or will you want time to consider it?

Mr. Fairweather: I have the figures here, yes.

Mr. McGibbon: I will even put it generally this way. Take the savings in operating expenses subtract from that the saving which is due to the cutting off of freight, which means the cutting off of wages, cutting off coal, cutting off oil, that will have to be again replaced, then you get your net saving.

Mr. Fairweather: Well, the point about that, doctor, is simply this: I admit this is a highly technical problem, and to lead you through the ramifications of it would take weeks, but I say this, and when I made the statement about the $75,000,000, I made it having regard to all the circumstances. But in any case, the operating efficiency of which I spoke, has nothing whatever to do with these curtailments of services in times of depression. It is in such measures of operating efficiency as this, the pound of coal consumed per thousand gross ton miles—that is a technical figure, and tells a big story—and another thing is the car miles per car day; another thing is the ton behind the locomotive, and things like that. Now, it is in matters like that that we have increased our efficiency.

Mr. McGibbon: One is theory and the other is fact. Your comparable savings have been expressed in dollars and cents, and there is no such sum as $75,000,000 in your report. Now, there is a lot of that will have to be replaced. You take a year and you say you had a saving of $20,000,000 in 1926. What about the coal and wages and oil, etc., and such sums as that that must be replaced when you reach prosperous times.

Mr. Fairweather: Yes, but when you replace that, you replace that much traffic also and I am saying that the measure of efficient operation is the degree of success in getting the maximum net revenue out of a given volume of traffic, and I say measured by that test our efficiency has increased year by year.

Mr. McGibbon: It is not reflected in this year's.

Mr. Fairweather: I would like to see any enterprise—I challenge any enterprise, railway, steamship company or industry, that faces a decrease in its gross business of close to 50 per cent, and shows an increase in net revenue under those conditions.

Mr. McGibbon: You do not have to go very far.

The Chairman: Now, before we do anything further, I would like to ask a favour of the members of this committee, and that is to read an editorial which appears in to-day's Journal, between now and our next session, because it contains some very constructive thoughts.

Mr. Stewart: I should like to ask a question about Mr. L. B. Holland, his expenses for the last half of 1930.

The Chairman: That will be all produced, Mr. Stewart.

Mr. STEWART: I should like to have the salary paid to G. G. Playfair, the personnel investigator, I believe.

Mr. POWER: That was given yesterday in the House, I understand, in answer to a question respecting Mr. Playfair.

The CHAIRMAN: We shall adjourn until four o'clock.

Mr. BEAUBIEN: In view of the fact that you made a statement yesterday that you were anxious that the committee should terminate to-day—I think I interpreted that, Mr. Chairman—

The CHAIRMAN: That was a pious wish.

Mr. BEAUBIEN: I had a question on the order paper for some time, and I should like to have it now. Should I repeat that question so there will be no mistake about it. I should like to know what the Canadian National has spent on the repairs to the suite of the Prime Minister in the Chateau Laurier, and the number of rooms that they took, and the rent that is paid.

The CHAIRMAN: I understand that the question is ready for delivery, but that—

Mr. BEAUBIEN: May I finish my statement, Mr. Chairman. The Minister of Railways was very anxious to jump with the letter the other day and read it, and I am just as anxious for the information, so it would go out to the public.

The CHAIRMAN: As far as I am concerned, they are here for disposal.

Mr. BEAUBIEN: I make this statement while you are on your feet. A lot of questions have been asked after mine, and answers have been given, and I should like to know—

The CHAIRMAN: I would just like to make this statement: there is no disposition on the part of anybody to shut off the answer to any question, and that insinuation is quite unworthy of the honourable gentleman. I should like to say further—

Mr. BEAUBIEN: When shall we get it?

The CHAIRMAN: Let me make a statement. The answer to the question concerns the Prime Minister; the Prime Minister is personally concerned about this, and he has requested the opportunity to be present when this thing is discussed, and as far as I am concerned, he is going to be here.

Mr. GRAY: I think he will want to be here, if the rumours are correct.

The CHAIRMAN: Sir Henry Thornton is prepared to take full responsibility for everything that has been done.

Mr. DUFF: It is a good thing Sir Henry has broad shoulders.

Mr. BEAUBIEN: We will decide that. When shall we take it up?

The CHAIRMAN: When the Prime Minister can get here. I suppose he has a few chores to do every day.

Committee adjourned until four o'clock.

AFTERNOON SITTING

The Committee resumed at 4 p.m.

The CHAIRMAN: Dr. McGibbon, among the numerous questions which have been asked was a question asking for a list of those taking part in broadcasts and the salaries paid within the last two years. Now, to my surprise, the list for 1931 covered some 1,200 names. It is a very large and a very substantial list, and it is available. The list for 1930 is still larger. It would cost a good deal of money, and, I am informed, a great deal of time to prepare it, and I was wondering if you would be satisfied with the list for 1931 as now presented.

Mr. McGIBBON: I would like the two years.

Mr. MACMILLAN: Twelve hundred different names?

Mr. FAIRWEATHER: There may be repetitions.

Mr. MACMILLAN: How many are there in 1931?

The CHAIRMAN: Over 1,200.

Mr. McGIBBON: What is the total amount of money?

The CHAIRMAN: We can get that for you.

Mr. FAIRWEATHER: It has been submitted in evidence. This is just a detailed statement of each individual case.

The CHAIRMAN: For instance, for each broadcast which was given—I am taking at random the very first names on the list for the year ending December 30th, 1930 which is coming in in 1931—the names of three persons. This is a local program, and the names of the first three are Galvin Winter, $120, Iris Kirkwood, singer, $15; James Todd, $5. The statement is very full and very detailed in that respect.

Mr. FAIRWEATHER: The total talent in 1931 amounted to $59,941.27, and in 1930, $95,073.82.

The CHAIRMAN: Of course, if you insist on it, doctor, I suppose we will have to try to struggle with it. I will leave it for your consideration whether you want to ask for this or not. I have asked the indulgence of the committee, and I am putting it before you in their behalf.

Mr. KENNEDY: I would like to ask a question. How much aditional traffic could the C.N.R. handle without requiring new large capital investment in the way of terminals or other capital expenditures?

Mr. FAIRWEATHER: If you base it on the 1931 traffic I should say that without any additional large expenditure we could handle the volume of traffic 2½ times the volume of 1931—between 2¼ and 2½ times the volume of 1931.

Mr. KENNEDY: How do you think that will work out in your revenues; how will it affect your expenses?

Mr. FAIRWEATHER: I would say that the Canadian National at the present time is in the position that for every dollar of additional revenue we get we would have about 60 cents of that which would be net profit available for entry. We could handle that revenue at an expense of 40 cents and 60 cents would be profit. The reason for that is that we are down to bare bones.

Hon. Mr. CHAPLIN: In referring the other day to business done through the New York office, would Sir Henry Thornton tell us whether any of those receipts were from steamship business and what percentage was from American lines, or, of the amount given what percentage belonged to Canadian lines?

Sir HENRY THORNTON: I could not answer that offhand. I could get the information for you.

Hon. Mr. CHAPLIN: Was there any boat business in that?

Sir HENRY THORNTON: I could not answer that offhand. I would have to get that information.

Hon. Mr. CHAPLIN: I would be glad to have that information. If there is any American lines business I would like to have allocated the net amount that came to the Canadian railways.

The CHAIRMAN: It is understood that this figure, $502,353, is the gross takings of that office.

Hon. Mr. CHAPLIN: That is what I wanted to find out.

Sir HENRY THORNTON: That is right. I will have to get the detailed information.

Mr. FAIRWEATHER: Mr. Duff asked a question and I will give you the answer:—

In response to Mr. Duff's question, the following is a statement of the steam coal shipments by rail from the different companies in the Maritime Provinces, during the year 1931:

Nova Scotia—

	Net Tons	
Acadia Coal Company	167,596	
Cumberland Ry. & Coal Company	153,304	
Dominion Coal Company	12,302	
Bras d'Or Coal Company	18,643	
Indian Cove Coal Company	16,449	
Inverness Ry. & Coal Company	20,847	
Greenwood Coal Company	15,024	
Intercolonial Coal Company	102,940	
Maritime Coal, Ry, & Power Company	22,867	
Milner Coal Company	595	
Standard Coal Company	2,503	
Victoria Coal Company	27,524	
		560,594

New Brunswick—

Avon Coal Company	1,983	
W. B. Evans	3,744	
Minto Coal Company	43,847	
Miramichi Lumber Company	15,012	
Welton & Henderson	8,765	
		73,351
Total shipments by rail Maritime Provinces		633,945

The CHAIRMAN: Before you proceed, it is plain that the following is a statement of steam coal shipment by rail. Is this intended to be a statement of the purchases by rail shipments for the railway itself?

Mr. FAIRWEATHER: This is O.C.S. coal shipped by rail which they deliver to the Canadian National Railways for its own purpose.

In addition to the above the Dominion Coal Company shipped to us, by water, from Sydney the following:

Montreal—Sydney	305,679	
Levis—Sydney	168,687	
Levis—Acadia	23,478	
Quebec—Sydney	25,012	
Chicoutimi—Sydney	22,266	
		545,122
Total all shipments from Maritime Provinces 1931		1,179,067

It is difficult to estimate our requirements for 1932. Our consumption is running from 20 to 25 per cent less than it was a year ago, so that our deliveries from the various mines in Nova Scotia and New Brunwick must necessarily be reduced to the extent that our consumption drops.

Mr. POWER: All those purchases were from mines, were they not?

Mr. FAIRWEATHER: Yes.

Hon. Mr. EULER: I would like to ask whether if this coal were not purchased in the Maritime Provinces the railway would avoid a substantial loss

and how much? That is, I presume some Maritime coal is used in the Province of Quebec, possibly elsewhere, coal which perhaps could be purchased at a lower price.

Sir HENRY THORNTON: In other words, Mr Euler's question is, could that coal, or what proportion if any could be purchased elsewhere at less cost?

Hon. Mr. EULER: That is what I want.

Sir HENRY THORNTON: Mr. Vaughan, can you answer that?

Mr. VAUGHAN: All the coal that comes into the Province of Quebec, as well as the Province of Ontario could be purchased at less cost if we import coal rather than use Nova Scotia coal.

Hon. Mr. EULER: Could you give me the amount?

Mr. VAUGHAN: Roughly from $300,000 to $500,000.

Hon. Mr. EULER: And does the same condition apply in the western provinces?

Mr. VAUGHAN: Yes, to pretty much the same extent.

Hon. Mr. MANION: Do you mean there is a difference of from $300,000 to $500,000 that would be saved.

Mr. VAUGHAN: Yes, we have furnished figures to the Dominion Fuel Board. The Alberta coal situation is different. We take American coal into Fort William and use it as far as Winnipeg.

Mr. STEWART: I do not want anything like that to go out unless it can be substantiated. Do I understand you are losing from $300,000 to $500,000 because you are using Alberta coal instead of buying coal you can send in from the United States?

Mr. VAUGHAN: Yes, sir.

Mr. STEWART: Between $300,000 and $500,000?

Mr. VAUGHAN: Yes, more than that.

Hon. Mr. EULER: So that the National Railways is losing as a business proposition, perhaps a million dollars by reason of buying Canadian coal in preference to American coal.

Mr. MACMILLAN: Does not the same thing apply to the C.P.R.?

Hon. Mr. EULER: Well, we are dealing with the Canadian National.

The CHAIRMAN: Of course this opens up quite a question, there is no doubt about it. Mr. Vaughan's reply certainly opens up a big question. We have this coal down there.

Mr. MACMILLAN: I am surprised at Mr. Vaughan's answer, that as a result of having to buy Alberta coal on western lines they are losing from $300,000 to $500,000.

Mr. GRAY: That is what he said.

Mr. VAUGHAN: It is quite true. That can be very easily checked up.

Hon. Mr. MANION: Might I say this, that Mr. Vaughan representing the company, and through the President, has been protesting ever since we got into power, to the effect that they have been losing considerable money, in fact I think the round figure was used, of a million dollars. The same condition has been existing for years and naturally the Government was anxious—just as the late Government was—to have Canadian coal used as much as possible. In fact the Government has gone so far—and the late Government did also—as to give subsidies for the use of both western and eastern coal.

Hon. Mr. EULER: It is only fair, I think, that the public should know that perhaps a millions dollars of a loss on the Canadian National Railways is not by reason of the operation of the railways but by reason of National purposes, if you will.

Mr. STEWART: The C.P.R. are using our coal all the way through to Kenora. Now, is the C.P.R. losing it or the people of Canada?

Hon. Mr. MANION: That is a point that is worth remembering.

Mr. MACMILLAN: I would like to know from Mr. Vaughan how far west American coal is taken, that is, how far west American coal taken to Fort William will travel before it comes into competition with Alberta coal?

Mr. VAUGHAN: It will travel pretty nearly to Regina, Kipling, Dauphin and all those places—

Sir HENRY THORNTON: But it doesn't. It would, but it doesn't.

Mr. VAUGHAN: It doesn't.

Mr. STEWART: There are a great many other items entering into this controversy; for instance, the people who ship the coal from the United States, who own the mines and who own transportation lines, shipping it in here at a loss; they are not competing; they are not shipping it in here in fair competition with Canadian miners and, consequently, it is not fair to say that the Dominion Government is losing that amount of money.

Mr. GRAY: I do not think anybody is objecting to the policy that the railway has adopted.

The CHAIRMAN: The statement left baldly gives rather a bad impression.

Mr. CANTLEY: There is still another question involved, and that is how much money has the Canadian National Railways invested in mining property in the United States and how much money they have spent in remodelling and bringing up to date those properties and what that coal is costing in the United States. If we are going to go into this question I submit we should get the whole picture and not a portion of it.

Hon. Mr. MANION: Isn't there also another factor involved, and it is implied in General Stewart's remarks, that the Canadian National and the C.P.R. and all the rest of us owe a duty to utilize Canadian products so far as we can. You cannot absolutely put it on a plain dollars and cents standpoint. There is a certain amount of it which cannot be but a duty, a reasonable duty, a matter of loyalty to our country. I am not speaking of the Canadian National any more than the Canadian Pacific. But all roads, and all of us should really insist, so far as we can, on utilizing Canadian goods.

I do not think that is quite fair to say, even taking the figures given by Mr. Vaughan, that the Canadian National are losing to the extent of a million dollars, because, as has been pointed out, the Canadian Pacific, which is not a Government road, has been carrying coal right down as far as Kenora and utilizing it in exactly the same way. So it is well to take into account all the different angles of the question. At the same time, I do not question for a moment that the Canadian National, which uses more Canadian coal, are losing some money, but from the standpoint of utilizing Canadian coal and less American coal I think we have got to take into account the whole picture as far as possible.

Sir HENRY THORNTON: I have always felt that we did owe some obligation and it is a matter of judgment as to what extent that should operate to mines that have already been established in the Maritimes, as well as industries. Now, whether that justifies us in losing a million dollars, or half a million dollars or a million and a half should be open to debate; but the policy of the company has always been that we did owe a certain obligation to the mines in the Maritimes because they were opened and established; populations have been established in the different communities; those populations consume a certain amount of food and goods of different sorts which, in turn, create traffic for the railway, and to that extent we did feel there was an obligation owing to the

Maritime mines, and we have tried to pursue that policy which, unquestionably, has resulted in some additional expense.

The CHAIRMAN: Might I ask a question. Isn't it true that the bituminous coal mine industry in the United States is in a distressed condition, and that you can buy coal down there in the Virginia field as low as eighty-five cents a ton?

Mr. VAUGHAN: That is quite true. We are buying considerable coal there at sixty-five cents.

The CHAIRMAN: Sixty-five cents,—worse than I thought it was. Well, they will soon be giving it to you.

Mr. BEAUBIEN: I believe it is a better coal than the Nova Scotia coal. I am under the impression that the Nova Scotia coal, as far as steam coal is concerned, is inferior to the coal that the Canadian National can import from the American side.

The CHAIRMAN: Let some technical man say that.

Mr. BEAUBIEN: I am asking a question. I am looking for information.

Mr. VAUGHAN: May I say, in response to that, generally speaking the Nova Scotia coal which we have been purchasing is fairly satisfactory from the railway standpoint.

Mr. BEAUBIEN: How about the Alberta coal?

Mr. VAUGHAN: The Alberta coal is all right.

Mr. POWER: This opens up another question. Would it be possible to find out from the officers of the Canadian National how much we are being penalized for our patriotism by insisting on Canadian purchases throughout. After all, that is a matter of policy. I suppose all of us are committed to the policy and endeavour to use, as much as possible, Canadian goods. Whether it be a good policy or otherwise, is not for me to say, but we are all committed to it anyway. If we find in looking into the accounts of the Canadian National Railway that they are penalized one million dollars in coal, and perhaps a million or two million in something else, I think it would give some justification to the road by saying that they are doing that as a matter of national policy.

The CHAIRMAN: Well, I think we ought to. I quite agree with that proposal. I do not think you will find a heartier supporter than I. We do not want to do any injustice to them on that point, or on any other.

Mr. POWER: Is there any way of getting that information? I suppose it can only be arrived at by way of guess.

Mr. VAUGHAN: I do not think we are suffering to any great extent except in respect of coal, because we check up everything very carefully. I do not think we are affected very much except in respect to coal.

Sir HENRY THORNTON: What would be the situation with respect to steel rails from Germany, for instance, or Belgium?

Mr. VAUGHAN: We could import steel rails from Germany, but we could not import rails from England on account of laid down cost including duty. We could import from some of the continental countries. Generally speaking, there is nothing that we cannot buy in Canada outside of coal that is higher than the cost of the imported article plus the freight and the duty, etc.

Hon. Mr. CHAPLIN: I would like to ask Mr. Vaughan how his freight cost is figured from Pennsylvania as compared with points in Alberta on the same mileage. A good deal depends, it seems to me, on whether the freight rates coming east from Alberta are charged on the same mileage basis as coming from Pennsylvania west.

Mr. VAUGHAN: Well, in connection with that, Mr. Chairman, all our imported coal going west is delivered by water at Fort William, so if we take the cost as given to us by our transportation department of moving coal west from Fort William a given distance as compared with the cost from Alberta to the same points in Manitoba and Saskatchewan.

Hon. Mr. CHAPLIN: You have got to figure this, that you can only lay that coal in at a certain period, and you must do that in the summer time.

Mr. VAUGHAN: Oh, yes.

Hon. Mr. CHAPLIN: And bank it there.

Mr. VAUGHAN: We take that all into account. We take the cost of handling it and storing it and the interest on the coal we have to carry over the winter time, and I was going to say if any of you gentlemen want detailed information we can give it to you; we can give you the full data. Dr. Camsell has all this information.

Hon. Mr. MANION: The coal going up the lakes from Pennsylvania to the head of the lakes goes up for about twenty-five cents a ton?

Mr. VAUGHAN: Yes, it is lower. I may say that the cost of American coal delivered at Fort William duty paid is approximately the cost of Alberta coal a thousand miles west of Winnipeg.

Hon. Mr. MANION: Of course, there is another point too that I think we should remember in pointing out those things, that the Canadian National is in exactly the same position as other consumers of goods in the country in utilizing Canadian goods. I think we are all on that same basis whether we are small purchasers or large purchasers.

Mr. POWER: If this were a private concern, and the shareholders were criticizing the operating expenses and the Chairman of the Board were to say, well, I can cut off a million dollars if I buy American goods, why ninety per cent of the shareholders would say, Well, for Heaven's sake buy American goods.

The CHAIRMAN: Yes, quite properly.

Mr. POWER: I do not say that should apply in this instance, but there is the comparison that we should make.

The CHAIRMAN: I have no quarrel with that position you are taking. It is a question of policy whether we should continue to use this coal or not.

Mr. CANTLEY: Before you leave the coal question, I want to point out that since the Grand Trunk Pacific was taken over the railway company has spent about half a million dollars in remodelling and renovating the colliery in the United States, and to-day they can buy coal for one-half the cost of production in that colliery. These facts must be taken into consideration. You are not saving, you are losing half a million dollars, as my good friend from Ontario points out.

Hon. Mr. EULER: Mr. Vaughan told us that.

Mr. VAUGHAN: The cost of producing coal from our mines, that is, the average cost in 1931, including interest, depletion and depreciation was about $1.07 a ton.

Mr. CANTLEY: I will ask you one question. Isn't it a fact that last year and the year before you were furnished coal from mines alongside of your own at less than the cost of your production?

Mr. VAUGHAN: I think that is right, a few cents less.

Hon. Mr. MANION: How far west do you consider that you can economically utilize Maritime coal in competition with American coal?

Mr. VAUGHAN: I would say about as far as Mont Joli.

Mr. POWER: You would not even bring it down by boat?

Mr. VAUGHAN: We can import coal cheaper by water to any of the St. Lawrence ports to-day either from the United States or from England on account of the depreciated value of the British pound and the low freight rates obtaining.

Mr. CANTLEY: Mr. Chairman, I make this suggestion: If you are going to buy the cheapest class of material you can buy irrespective of its origin, whether it be Germany or any place else, you had better drop the name Canadian National.

Hon. Mr. EULER: Mr. Chairman, I started this thing. I was not criticizing the policy unnecessarily here at all. The thing I want to know is if it costs a million dollars more to buy Canadian coal than foreign coal, it does not seem to me to be quite a fair charge against the Canadian National Railways as a business proposition; that is all.

The CHAIRMAN: Well, I am inclined to agree with you, Mr. Euler, if your premises are correct.

Hon. Mr. EULER: I am only taking what Mr. Vaughan says.

The CHAIRMAN: Quite so, and I am assuming his figures are correct.

Hon. Mr. MANION: It has been the custom, of course, for all time; it isn't any new policy.

Mr. KENNEDY: I would like to ask a question regarding automobiles. Has the automobile industry or the motor bus business and the automobiles carrying passengers robbed the railway of as much business as the automobile industry has created for the railways?

Mr. FAIRWEATHER: Taking it all together, Mr. Kennedy, I would say this: I have made an attempt to study that matter and my own opinion is this—that taking it by and large the automobile industry is so interwoven with the general industrial prosperity of this continent that it has probably created more traffic for the railways than it has destroyed. That answers your question?

Mr. KENNEDY: Yes.

Mr. FAIRWEATHER: Mr. MacMillan asked:

> How many men are employed in the colonization department in Europe at the present time? Answer: 17.

The CHAIRMAN: Now, gentlemen, Mr. Beaubien has been exceedingly anxious to get some information with respect to the Canadian National Hotel in Ottawa. I endeavoured to get Mr. Bennett to come here this afternoon but a debate has developed in the House over the Civil Service Committee's report and an amendment has been moved I am informed, and he does not think that he can leave the House, but every effort will be made to have that matter brought up to-morrow morning first thing.

Mr. BEAUBIEN: I do not want it to go out to the country that I am trying to throw any reflection on the Prime Minister of Canada. I don't want that to be the interpretation. We have been asking the Canadian National Railway officials for information on things all over the world; we have been criticizing this expense and that expense. If the Prime Minister chooses to come before the Committee all well and good, but could not the information go out, and then if the Prime Minister wants to come before the Committee after we have received the information let him do so. I do not want to throw reflections on anybody. There isn't any reason why the information should not be given out There is no reflection sought to be cast on anybody.

The CHAIRMAN: Except this, Mr. Beaubien, if any statement is made before this Committee by the Canadian National Railway officials with respect to the Prime Minister and his apartments in the Chateau Laurier, Mr. Bennett's statement is going out to the Press at the same time.

Mr. BEAUBIEN: Well, then, Mr. Chairman, in that regard why was the Minister of Railways so ready the other day, before the information ever came down, to read a letter here, and when I asked him the reason why he was reading that letter without the information being brought down he said that he was doing it because he wanted to do it.

Hon. Mr. MANION: I will just answer that question myself. The very fact that my friend is asking the question regarding the Prime Minister's apartment implies that there is some questionable information about it.

Mr. BEAUBIEN: Not necessarily.

Hon. Mr. MANION: Why then, did you not ask, for example, about some other body's apartment than the Prime Minister?

Mr. BEAUBIEN: Why has this committee been inquiring into the house of the president of the National Railways. This is an expenditure of the Canadian National Railways.

Hon. Mr. MANION: I am not objecting.

Mr. BEAUBIEN: We have been trying to get it for days.

Hon. Mr. MANION: I am not objecting to my friend asking for information about the Prime Minister's apartments; but when he asks that, and the papers get it, that the Prime Minister's apartments are being inquired into, I placed the responsibility exactly where it belongs. Sir Henry took the responsibility in a letter unsolicited, which he wrote to me a year and a half ago, telling me all about it, and I put that letter on record. Now, when the figures are given in regard to the Prime Minister's apartments, I think it is only fair, as the Chairman has said, that the Prime Minister, who wishes to appear, should give us his statement in reply to that at the same time.

Mr. BEAUBIEN: I quite agree with that. I agree with what the Minister has just said. But the information that went out in the papers was given by the Minister before we had any information—

Mr. GRAY: We do not know whether there is anything to explain.

Hon. Mr. MANION: Does my friend object to Sir Henry taking the responsibility?

Mr. BEAUBIEN: I do not object to anybody taking responsibility. What I am looking for is information that I have asked for just the same as any other member.

Hon. Mr. MANION: You are going to get the information, but the Prime Minister of this country, whose affairs have been enquired into rather extensively, I think has a perfect right to come before this committee at the same time that he is being enquired into.

Mr. BEAUBIEN: So the Minister had a perfect right to hold the letter until he had the information.

Hon. Mr. MANION: I did, if I wished, but I chose to give it.

Mr. BEAUBIEN: You do not choose to give anything in co-operation; you chose to do anything you liked.

Hon. Mr. MANION: Would my friend tell me, then, why he went down to Montreal and tried to dig out information about—

Mr. BEAUBIEN: Who?

Hon. Mr. MANION: You.

Mr. BEAUBIEN: I went to Montreal?

Hon. Mr. MANION: Yes.

Mr. BEAUBIEN: That is my business, and none of yours.

Hon. Mr. MANION: Why would my friend here take a trip down to Montreal and try to dig out information on the inside about the Prime Minister's apartments. Come out fairly and squarely—

Mr. BEAUBIEN: There were two men went from this committee and tried to get information—

Hon. Mr. MANION: It was moved by this committee that they go, and so it was quite a proper thing.

Mr. BEAUBIEN: I am a member of this committee as well as anybody else.

The CHAIRMAN: I think this discussion has gone far enough. Now, we shall turn to something else.

Mr. GRAY: Let us have the facts.

Mr. POWER: Let us quit stalling. Give us what is asked for. We have had stalling enough.

The CHAIRMAN: There has been no stalling; I object to that.

Mr. POWER: We cannot get the information, and we want it. We will stay here all summer until we get it.

The CHAIRMAN: It is going to be produced when the Prime Minister can come.

Mr. BEAUBIEN: When?

Hon. Mr. MANION: To-morrow morning.

Mr. BEAUBIEN: I rise to a point of order. The way this thing has gone, there seems to be an indication by the Chairman and the Minister that I am trying to throw some reflections on the Prime Minister. I want to explain that I am not, and the Chairman will substantiate that I said when I asked the question the first time, that these rumours were going out, and that I wanted to have the real facts before the public, so the public would know them; because there are sometimes too many rumours against public men.

Hon. Mr. MANION: My friend is talking about the facts going out; they are going to go out.

Mr. MCGIBBON: I want to make this explanation in answer to Mr. Power and the others. I brought up this question in the House last year; I waited on purpose until the President, Sir Henry Thornton was here; I never brought it up in his absence. I thought that was the fair way to do it, and I think the Prime Minister is entitled to that courtesy, too.

The CHAIRMAN: He is going to get it, there is no mistake about that.

Mr. GRAY: Let us have it. There is no objection.

The CHAIRMAN: Gentlemen, we have nothing now apart from the balance sheet of the steamship offices; and of course I am very anxious to bring this enquiry to a conclusion as soon as possible, and I should like to take it up now, as Sir Henry Thornton has stated the steamship officers are here, and we may get through with them this afternoon.

Mr. GRAY: Before you proceed with the steamships, if you do not mind, I want to say this without rancour at all. I was not present at the House on Monday, but I have read Hansard of May 9th in which some statements were made by the Minister in reply to the Leader of the Opposition. I should like Mr. Vaughan to be heard before we get into some other matter, to find out exactly if I am correct. You will find on Hansard, at page 2951 the following comment in a statement by the Hon. Minister of Railways—

Hon. Mr. MANION: Last Monday's Hansard?

Mr. GRAY: Do you object?

Hon. Mr. MANION: No.

Mr. GRAY: I won't read it all, just a few extracts.

Hon. Mr. MANION: It would take you 20 minutes.

Mr. GRAY: Yes. "The fact remains that when tie contracts—" in reply to the Leader of the Opposition, the Minister said, "the fact remains that when tie contracts were let by the later government, practically none were let to Conservatives. I submit this is not a Conservative road; this is not a Liberal road; this is a national road. That is why when we got into power I did submit to Sir Henry Thornton that as of the tie contracts let in the past, only about ten per cent were let to Conservatives, it was but fair that these contracts should be divided between different classes of people politically; and they were."

Then on page 2952:

> I do not believe it is fair under this government to buy entirely from Conservatives, any more than it was fair under the late government to buy entirely from Liberals. To the extent of at least 90 per cent the ties bought under the late government were obtained from Liberals. I will admit quite frankly that under this government half or a little more were bought from Conservatives; I say I admit that quite frankly, because I do not believe this national railway should be used, as I believe my right hon. friend used it in the last year or two before he got out of power, as a political club.

And just one further statement, on page 2953:

> As I have already stated, 84 of these contracts, or in other words 25 per cent, were let by the Canadian National management without consultation with me in any shape or form. When I checked up the names later I found that the vast majority of them were Liberals.

The CHAIRMAN: Fighting Liberals.

Mr. GRAY: "When I checked up the names later I found that a vast majority of them were Liberals." What I want to know is this, because I do think this committee should know, is it the policy of the Minister and of his government to go into those questions, and if we have it in tie contracts, as he says he has to check up those and go into the contracts, to ascertain whether or not they are Liberals or Conservatives, and to thereupon give instructions, or in some way pass instructions to the officers or purchasing agents of the Canadian National Railways. Is that the considered policy of the government? And if so, I think we should know, and if it applies to contracts for ties, does it apply, for instance, all down the line?

Hon. Mr. MANION: Well, I shall answer the last question first. We have never heard of any other purchases down or up the line; nothing whatever to do with it. The reason I was checking up some of the names about the tie contracts, was that there has been a good deal of fuss kicked up about it. I personally think it is much ado about nothing. There was no harm done to the Canadian National. I did not even accuse the late Government of doing any harm as far as ties are concerned, because the Canadian National gave the contracts and set the price for the whole business themselves. I think this is something that should go out to the public. I do not think there was any loss from the dollar and cents standpoint under the late Government or under ours. The only charge I ever made about ties by the late Government, was that I considered—I do not want to get into this controversy again,—I considered that they bought more supplies than they required in 1929. I do not want to go over that again. That was the only charge I made. Since there were so many questions asked about ties from people all over the country who supply ties, I naturally, as Minister of Railways, asked for a list of tie purchases. There was a list sent to me by Mr. Vaughan of the people who were producing ties, and in a number of cases I submitted them to the

members from different sections of the country. I said, "What are the politics of these people?" because I was having charges made as I understand was the late Government, that their people were not getting fair treatment. There were a number of charges made, and I enquired from people in the neighbourhood in which these ties were bought, as to the politics of these people, and in reply to that I got those answers.

Mr. GRAY: Quite true; the Minister has been quite frank on different occasions. What I want to know is, if in checking those he changed the policy, so that they will be given at least fifty-fifty.

Hon. Mr. MANION: I did not change the policy; I suggested that it should be changed.

Mr. GRAY: Well then, we take it you did make a change in the purchasing arrangements of the Canadian National.

Hon. Mr. MANION: No, I did not make a change; I submitted the idea to Sir Henry that, according to my information, ties were being purchased largely from Liberals. I repeat, this is not a Liberal road, or a Conservative road, or a Progressive road; this is a national road. I should like to repeat that it did not cost the Canadian National an extra dollar whether they bought from Liberals or Conservatives.

Mr. GRAY: You say in checking over the list—

Hon. Mr. MANION: Yes, frankly; I do not see anything wrong.

Mr. GRAY: I am merely getting the facts.

The CHAIRMAN: Surely.

Mr. GRAY: This is the stand you are taking. You say you are not extending that to anything in connection with any other purchases than ties.

Hon. Mr. MANION: I have not interfered in any shape or form politically with the Canadian National. I think I will say further, I have never made a proposition, and I challenge any of the officers of the company to contradict me, I have never made any proposals of any kind to the Canadian National since this Government came into power, that would economically, cost the Canadian National one additional dollar.

Hon. Mr. EULER: I am very much interested in the public ownership of those roads. I have always held—I think the Government has held, and the people of Canada have held—that you cannot make a success of the National Railway if you allow politics to creep into contracts of the railway. The giving of contracts in the matter of ties may be only one. I am not going to say anything with regard to the former Government and its policy, except this; while I was a member of that Government for four years, I absolutely had no knowledge whatever of any contracts—

Mr. CANTLEY: You took care you did not know anything about it.

Hon. Mr. EULER: I would say further, in all kindness to my friend the Minister, he made the charge that he was doing just the reverse of what Charlie Dunning did. When he used the words "Charlie Dunning," Mr. Dunning was here and he was asked very definitely if he had used any influence in the purchase of ties for the National Railways, and he said no, and my hon. friend sat there and never contradicted him.

Hon. Mr. MANION: I did not think it was my duty to cross question Charlie Dunning. Charlie Dunning was asked to be here in regard to a specific matter; he was asked to be here in regard to the making of a contract and the emoluments paid to Sir Henry Thornton. I did not think it was my duty to sit here and cross question Charlie Dunning. Mr. Dunning may have been telling the truth. I may have been drawing the wrong conclusion as to what it was that happened, but the fact remains that my information was correct.

Hon. Mr. EULER: I am very glad to hear my hon. friend say that Charlie Dunning may have been telling the truth, because I think he was telling the truth, but the point I want to make is this: will the Minister say now to the committee and to the country that political influence is being wielded with regard to the purchase of ties, because I want to protest with all the powers that I have against the introduction of politics into the conduct of the National Railways. If you do it in regard to ties, there is no reason why you should not introduce it in regard to other purchases, and in that way the road will be bedevilled.

Hon. Mr. MANION: I do not see that at all. I do not agree with my friend at all in regard to the bedevilling of the road. If the Canadian National Railways were purchasing ties—we will keep to ties—if the Canadian National Railways were purchasing ties, and it does not spend one dollar more in the purchase of ties than the Canadian National would if left entirely as the Canadian Pacific Railway, we will say, is left, then I do not know that it matters particularly from the standpoint of economy to the Canadian National, whether they buy from Progressives, or Conservatives, or Liberals, or somebody else. But at the same time I will say one thing more, I agree with Mr. Euler that the principle is not good. But so long as the Canadian National Railways has to come back to the Government of Canada, whatever Government is in power, to the parliament of Canada, and get the parliament of Canada to vote large sums of money amounting anywhere from $75,000,000 per annum, then just so long will the people of this country have the right to check up those things, and just so long will there be the danger of some political interference. The ideal of the Canadian National should be this, and I think it was the ideal of Sir Henry Thornton, though it has gone askew like many ideals, the ideal of the Canadian National should be, to get to a position where it could handle its own affairs without asking either for guarantee or money from the Government of Canada on behalf of the people of Canada, then and only then can you avoid that interference, and investigations such as we have been having here to-day.

Mr. GRAY: Don't you think that you as a Minister, should set an example?

Hon. Mr. MANION: Quite, but my hon. friends are so much more moral when in opposition than when they are in power, that is the only difference.

Mr. POWER: I am not going to admit that, Mr. Chairman.

Mr. CANTLEY: But you are.

Mr. POWER: I am particularly interested in the political side at least, but in support of my friend Mr. Euler, I think the people of the country would like to know definitely whether the policy—I took it to be that through the statement made by the Minister last Monday—is to be that which you will follow in the future. I find the policy pretty well outlined in this statement:

> as showing the training that the purchasers of ties for the—

Hon. Mr. MANION: What page?

Mr. POWER: Page 2951 of Hansard of May 9, 1932.

> as showing the training that the purchasers of ties for the Canadian National Railways got under my right hon. friend and his government,—

he is referring to the Leader of the Opposition there—

> and his government. They gave 84 of these contracts out of 325 or 330 this year, without any consultation with me at all, and they were practically all given to Liberals.

Now, am I to understand that the Minister, after these 20 per cent, roughly, have been given out, after those contracts have been given out, checked up the names of each of those contracts, if I may use the word "generously" with

respect to the political affiliations, if you like, and instructed the officers of the Canadian National to give tie contracts to so and so, and so and so, provided the prices were the same.

Hon. Mr. MANION: I have not attempted to instruct; I have repeated that many times.

Mr. POWER: Did I use the wrong term—advise?

Hon. Mr. MANION: No; to recommend, if you wish, I offered recommendations that were offered to me by various people of this country, many of them not political at all. Many of them not political at all, but many of them given with my consent, my agreement, if you like, and many of them were friends of yourself.

Mr. POWER: We thank you for your generosity. It is your discretion I am objecting to.

Hon. Mr. MANION: My indiscretion.

Mr. POWER: This is the point we wish to make; if it is within the power and authority—I imagine it is within the power—if it is the intention of the Minister to carry out this policy of giving recommendations, it is quite clear to me, at least, that from now on, political patronage is to be the order of the day in the purchases of the Canadian National Railways; and if so I would like to know it.

Hon. Mr. MANION: My friend is trying to reach a wrong conclusion. Political patronage is not the order of the day in any way, shape or form with the Canadian National since we came into power. The only interference—if you call it such—of any kind is the interference which I have discussed here frankly about ties.

Hon. Mr. EULER: Why not cut it out?

Hon. Mr. MANION: Why didn't you cut it out? I did not start the discussion.

Hon. Mr. EULER: Cut out the practice you have inaugurated.

Hon. Mr. MANION: I will promise my friend to cut it out if he will promise to live up to it when his party gets back to power.

Hon. Mr. EULER: Two wrongs don't make a right. I take my friend at his word, although I may never get back into power. By that I do not mean that his Government will remain in power. I do not want him to understand that. But I say this that if I have anything to do with it I will promise him there will be no patronage as far as the Canadian National Railways are concerned.

Hon. Mr. MANION: I wish you had lived up to it when you were in power.

Hon. Mr. EULER: I did, absolutely, as far as I am concerned.

Hon. Mr. MANION: As far as you are concerned, yes.

Hon. Mr. EULER: I can only speak for myself.

Hon. Mr. MANION: I say this that when the Royal Commission makes its report, I sincerely hope that the Commission will make a report of some kind which will put the Canadian National Railways in such a position financially that no Government, whether it is this Government or any future Government, will have anything whatsoever to do with it at all.

Hon. Mr. EULER: My friend has a good deal of backbone, and if he wants to do this thing and keep his hands out of exercising political influence or giving any kind of contracts he can do it, and I would like to see him do it.

Hon. Mr. MANION: I have not interfered politically at all, except, as I said, in these tie contracts which did not cost the Canadian National Railways one cent.

Hon. Mr. EULER: It was a bad principle.

Mr. POWER: It is a distribution of favours by a minister who is a political minister and a good politician.

Hon. Mr. MANION: Oh, you flatter me.

Mr. POWER: I have not read the list of the tie contracts. When I see the list I will see how good a politician he is. It may be a readjustment. What I think the committee is entitled to know is whether or not that is the definite policy. If it only applies to ties, all right, we will take it as the policy applying to ties.

Mr. DUFF: He has promised.

Mr. POWER: No, he has not promised.

Hon. Mr. MANION: I am not making promises. I simply make the statement that there has not been any political interference in the Canadian National Railways at all.

Mr. POWER: Except ties.

Hon. Mr. MANION: I have explained the tie situation.

The CHAIRMAN: Gentlemen, I have no desire to prolong this discussion. I would like to make the observation that after the change in government in July, 1930, I had occasion to look into this tie question at the request of people in New Brunswick who wanted to sell ties to the Canadian National Railways and I saw a list of those who contributed to the tie supply of the Canadian National Railways for the years 1928 and 1929, and I have no hesitation in making the statement here that 90 per cent of the contractors for ties in New Brunswick were Liberals, and that 90 per cent of the ties supplied were supplied by them.

Mr. POWER: Do you know a contractor who was not a supporter of the Government and could not change as quickly as the Government. I am talking to a politician who knows his job, and I think he will agree with me.

The CHAIRMAN: Again, you flatter me.

Hon. Mr. MANION: May I say before we get away from the political side of this matter that I have here a photostatic copy of a letter written by one of the friends of my friend Mr. Euler—one of his confreres in the late government—on October 17, 1926, to Mr. Hanbury, not marked personal, so I am quite within my rights in reading it:—

DEPARTMENT OF SOLDIERS CIVIL RE-ESTABLISHMENT

MINISTER'S OFFICE,
CRANBROOK, October 17, 1926.

Dear Mr. HANBURY:—I have your favour of October 12th. I arrived in Cranbrook yesterday, and will remain in the district until Thursday, when I am going north to Golden. I will take the main line train there, and will arrive in Vancouver the evening of October 25th. I expect to spend some three or four days there, and then go to Victoria, returning from there to Kootenay.

I note your reference to Canadian National Railway ties, tenders for which have been invited, and shall wire the department asking that they withhold awarding the contract until further representations can be made.

With kind regards.

Yours truly,

J. H. KING.

W. F. HANBURY, Esq.,
850 Hastings St. W.,
Vancouver, B.C.

That is from the Hon. Dr. King, who was the Minister of the Soldiers Civil Re-Establishment.

Mr. POWER: What is wrong with it?

Hon. Mr. MANION: There is nothing wrong with it at all any more than there was anything wrong with what I have been doing.

Mr. GRAY: I think it is most objectionable that the Minister should read a letter directed to a man who formerly sat on this committee and who through illness is not here to speak for himself.

The CHAIRMAN: There is no reflection on Mr. Hanbury.

Mr. GRAY: I say that he should be here to answer to that letter if necessary. On behalf of that gentleman I object, the same as the Prime Minister is objecting so strongly.

Hon. Mr. MANION: Leave the Prime Minister out of it for the moment; let him defend himself.

Mr. GRAY: Yes. We will be glad to have him. What I want to say is this, that regardless of what the Minister now says that that has all been changed, he is now saying that that is not the custom and it is the tories that are getting the contracts.

Hon. Mr. MANION: I say no such thing, and I won't let you or anybody else put words into my mouth. I said the tie contracts are going between the two political parties—not going to one.

Mr. GRAY: You have changed the policy.

The CHAIRMAN: They are not all liberals on the list.

Mr. GRAY: Have you changed it or not?

Hon. Mr. MANION: I have not changed it. I have recommended that these tie contracts be let to the different parties instead of one, and the Railway very broadly took the recommendation.

Mr. MUNN: Just a word about Mr. Hanbury. Mr. Hanbury is a tie producer. He is a lumber man and he has been in the habit of supplying ties for years.

Mr. KENNEDY: He was a member of parliament.

Mr. POWER: He was not.

The CHAIRMAN: He was a defeated candidate.

Mr. MUNN: With regard to the contracts that were let, I know for a fact that quite a substantial number of those ties were bought from people who were not tie producers. That is what I object to. I do not care if the man is a tie producer, whether he is a liberal or a conservative, if he is a man who should have the business; but in this instance, in looking over the list I find that the contracts were awarded to fellows who were not producers, who were working on a commission—fellows I venture to say who would not know the difference between a tie and a rail.

Hon. Mr. MANION: May I make it clear that I was not in any way attacking Mr. Hanbury or Dr. King. I do not consider Mr. Hanbury or any other member of parliament is debarred from taking a tie contract from the Canadian National Railways. I was simply pointing out that the hon. Dr. King the Minister of Soldiers' Civil Re-establishment was interfering, apparently, in the purchase of ties to some extent, as I am accused of doing.

Mr. DUFF: Would you mind telling us how you got that letter?

Hon. Mr. MANION: No. I do not intend to tell you anything about it.

Mr. DUFF: You should not have read it. I think it is the rottenest thing I have ever seen in the seventeen years I have been in parliament.

Hon. Mr. MANION: When I want lectures on morality or ethics I will not go to you.

Mr. DUFF: It is a rotten thing to do, the most contemptible thing I have seen in this parliament.

Hon. Mr. MANION: You had better say that to me some place else.

Mr. DUFF: I say it to you here.

Hon. Mr. MANION: Say it to me some place else.

Mr. DUFF: I will say it to you some place else too.

Hon. Mr. MANION: All right.

Mr. MACMILLAN: This tie business has been gone into time and time again, and I think we should get on with the business.

Mr. GOBEIL: Before you leave this question, I would like to say something. I have listened to so many protests this afternoon that I want to protest against something myself. I want to protest against the idea that Mr. Euler and others are trying to put into the minds of the members of this committee that the letting of 95 per cent, or whatever it is, of the ties to liberals in the late government was all done by chance. Now, I do not think they will convince many people in this room of that fact. And furthermore, I say that if the present Minister of Railways, by his advice or recommendations, has obtained the result that the ties were divided between the two political parties in this country, he is to be congratulated instead of criticized.

Mr. BEAUBIEN: I think he is a poor politician if he divides it.

Mr. DUFF: Would it not be well for Sir Henry or Mr. Vaughan to tell us how these contracts were awarded in the past. The charge is made that the contracts were awarded to people because they were liberals or tories. Let us hear how they were awarded.

Mr. BEAUBIEN: It happened to be that way.

Mr. DUFF: I want to know how that happened.

The CHAIRMAN: I have no objection to asking Sir Henry Thornton or Mr. Vaughan.

Mr. POWER: Can the Minister tell us who these three Liberal members are who have tie contracts at the present time! I would like to look at them.

Hon. Mr. MANION: I would not care to do that. I said one Liberal member. I did not say there were three who had contracts. I said three were interested in tie contracts.

Mr. DUFF: You said three members in the house.

Hon. Mr. MANION: There was one Liberal member who had a tie contract and has had one for years.

Mr. POWER: Mr. Hanson is here. He is one of them.

Hon. Mr. MANION: I made it clear that I make no reflection on any Liberal or Conservative for taking tie contracts.

Mr. POWER: I do not think there were any I want Mr. Hanson to go into the box and say that, and tell us how he got those contracts.

The CHAIRMAN: I do not think we should take up the time. The committee will say whether he should. Is it the will of the committee that we should go into Mr. Hanson's tie contract?

Mr. DUFF: We have a right to question him as a witness.

The CHAIRMAN: You have if the committee says so.

Hon. Mr. MANION: I haven't a word to say against Mr. Hanson in any way, shape or form. I do not want members or anybody else to get the idea that I am criticizing Mr. Hanson or Mr. Hanbury or any other member who

might have got a tie contract. I have made no criticism of Mr. Hanson or Mr. Hanbury or anybody else.

Mr. McGIBBON: If you exclude both Liberals and Conservatives who is going to supply you with ties?

Mr. DUFF: Exactly. The whole thing is foolish.

The CHAIRMAN: Let us take up the estimates of the Canadian Government Merchant Marine.

Mr. DUFF: Before we go into the Canadian Government Merchant Marine, will that prevent us asking any questions with regard to the railways? For instance, I understand that General Stewart asked a question about private cars. Has that been answered? I was away a part of this afternoon.

The CHAIRMAN: No, I would not say we have concluded the railways. I hope we may to-morrow. The idea is to get through with Mr. Allen.

Mr. DUFF: May I ask about Mr. Stewart's question, and whether it has been answered.

The CHAIRMAN: No.

Mr. STEWART: It was not answered.

Sir HENRY THORNTON: We are getting that information as fast as we can.

Mr. DUFF: How long will it take?

Mr. FAIRWEATHER: I should say to answer the question as it was asked it would take at least another four or five days.

Mr. DUFF: Why will it take that long?

Mr. FAIRWEATHER: The form in which the question was asked was very specific. It asked for the point of origin and the point of destination of every trip. Of course, we have no private cars as such; they are business cars, and consequently all the business superintendents and the movements of district superintendents and officers of that kind have to be taken into account, and we have had the wires busy for four or five days.

Mr. DUFF: If that is going to take four or five days, perhaps I had better ask a simple question about private cars. It will not take very long. I would like to know what the cost was of the new car which the Prime Minister now is using, the total cost, including the cost of the trucks and body of the car which, I understand, was in the shops of the Canadian National Railways at Point St. Charles when the car was built, the total cost of everything, including the amount which was spent by United States decorators who came over to fix up this car; and I would like also to know what became of the old car, No. 100, and how much money was spent on it after it was turned over to the Canadian National Railway officials as a business car?

Hon. Mr. MANION: While you are getting that information you might also find out how much the first car that Mr. Mackenzie King had cost, and you might get also what the second car he had cost when he was not satisfied with the first car?

Mr. DUFF: I am quite willing to have that. I want that, because the car as it was when Mr. Mackenzie King left it, after the election in 1930, was fit for anybody to travel in, and no new car should have been built.

Hon. Mr. MANION: The first car was fit to travel in, but Mr. King changed it for a second car. We will get the whole result.

Mr. DUFF: Certainly.

Mr. McGIBBON: May I ask a question. When will I get that information which Mr. MacMillan and I asked for about three weeks ago? It should be here now.

Mr. DUFF: I would also like to know the cost of the private train which went to Halifax in April, I think it was, in April, 1931, the time the Governor General came to Canada?

The CHAIRMAN: It was answered in the house.

Mr. DUFF: There were twelve private cars on that train. I would like to know what the cost of that whole exhibition was.

The CHAIRMAN: It was all answered in the house.

Mr. CANTLEY: Perhaps you would like to get the cost of Mr. Mackenzie King's car when he went down to Bermuda?

Mr. DUFF: I would like also to get the cost of Col. Cantley's trip when he went to the West Indies. Perhaps the Colonel would like my costs too.

The CHAIRMAN: I think this is getting a bit personal; we had better steer clear of it.

Mr. MCGIBBON: I did not get an answer to my question.

The CHAIRMAN: I think it is ready. This committee has not decided whether this list is to be made public or not.

Hon. Mr. EULER: You are going to make everything else public.

The CHAIRMAN: Are you moving that this be made public?

Hon. Mr. EULER: Oh, no.

Mr. MCGIBBON: I will second it if Mr. Euler moves it.

Hon. Mr. EULER: I am going to be quite consistent.

The CHAIRMAN: This is filed with the committee. We will not read it just now. The file is open to the examination of the committee. Now, shall we take up the Canadian Government Merchant Marine and try to dispose of that. I have been trying to get at that for an hour.

Hon. Mr. EULER: We have already disposed of it.

Hon. Mr. CHAPLIN: We recommended that last year in the report.

The CHAIRMAN: That recommendation, I think it is only fair to the management to say, was to the Government.

Hon. Mr. MANION: The management also took the attitude that we should get rid of it. Sir Henry Thornton has always taken that attitude, but it is not as easy to get rid of some of these things as would appear. The other day we had an example in some of the boats that were tied up at the dock and the management made a sale of them at something like 10 per cent, I think, or 15 per cent of their original cost. We passed an order in council accepting the bid with some protests, because it was thought it was a pretty poor deal as far as the price was concerned, and now the buyers have turned them down and will not take them at that price.

The CHAIRMAN: I noticed where one offer was made for $1.

Mr. POWER: May I ask if we could get some information about that very unfortunate incident which has arisen out of the *Prince David* being refloated?

The CHAIRMAN: That is not in the Government Merchant Marine; that is one of the railway ships.

Mr. POWER: I understand we lost some money by this boat being salvaged?

The CHAIRMAN: Yes, I believe we did. Mr. Allan is here, and I have no doubt he wants to get away. Mr. Allan I would like to ask you what routes you have in operation now on the Canadian Government Merchant Marine?

Mr. ALLAN: Intercoastal, Vancouver to the east, Australia, New Zealand.

The CHAIRMAN: You had a vessel go into New York the other day—the *Canadian Scottish,* I think?

Mr. ALLAN: Yes.

The CHAIRMAN: When did she arrive there?

Mr. ALLAN: Arrived in Halifax March 26.

The CHAIRMAN: That voyage has been closed?

Mr. ALLAN: Yes.

The CHAIRMAN: I am taking that at random. That is a closed voyage. I would like to ask, what was the net result of that voyage?

Mr. ALLAN: That is, on this year's operations? I haven't got the information here.

The CHAIRMAN: Well, generally speaking, are you losing much money or making much money, or what, on that particular service.

Mr. ALLAN: We are making money on that Australian service.

The CHAIRMAN: Does the Committee desire to have the report read, it is very brief. Can we dispose with the reading of it?

Hon. Mr. EULER: Give us the high lights.

The CHAIRMAN: Mr. Euler has made a suggestion. Give us the high lights of the year's operations.

Mr. ALLAN: In the year 1931 there was a South American service operated under a subsidy contract.

Mr. CANTLEY: What service?

Mr. ALLAN: South American under a subsidy under the Department of Trade and Commerce. At the end of the year—in November to be exact—owing to a change in the tariff, we found it impossible to continue that operation as there was no homeward cargo. That service was, therefore, abandoned in March of this year.

Owing to the depressed conditions, we decided to combine the Australian and New Zealand services, and where the Australian service had been showing a loss prior to that date the combined service shows a profit from that time on, from March until the end of the year.

The inter-coastal service, the principal commodity being lumber, came out about even.

Sir HENRY THORNTON: That is about all there is to tell in connection with the high lights, the four services of the Government Merchant Marine. The Committee have all seen this annual report of the Government Merchant Marine; I don't think there is very much to add.

I think perhaps the main question, and perhaps the most important question which the Committee will have to deal with this year, as they have attempted to deal with it in previous years, is as to just what our policy is to be, speaking from a national point of view with respect to the continuance of the Canadian Government Merchant Marine.

The CHAIRMAN: What is your recommendation, Sir Henry?

Sir HENRY THORNTON: I stated last year—and I think I may have stated it in previous years—that certainly in my judgment and the judgment of the Marine officers of the company, we should either decide to put the Canadian Government Merchant Marine, in point of equipment, in position to compete with other more modern steamships and steamship lines and meet market conditions. When I say market conditions I mean ocean rates and services, or else go out of business with it. We are in the position of trying to operate a modern service with implements singularly ill adapted for the purpose. It is very much like the Oxford professor's definition of golf. He said golf was the problem of endeavouring to propel a very small ball into a very small hole with implements that were ill-adapted for the purpose, and that is more or less the situation that confronts us with respect to our merchant marine. These

vessels were built under war conditions to serve a certain purpose at that time and to meet a certain emergency.

Mr. DUFF: The war was over before they were built.

Sir HENRY THORNTON: I don't know as to that. That is always what I have been told. At any rate, the commitment was made during the war, and we now find ourselves with a number of vessels on our hands which are not of such a character to permit us to carry out a merchant marine service effectively in competition with more modern vessels.

There is no good continuing, in my judgment, to carry on a business of that sort badly handicapped as we are with insufficient facilities, and I think my recommendation would unquestionably be to either give us a merchant marine equipment that we can do something with or go out of business.

Hon. Mr. EULER: You do not really recommend that, do you?

Sir HENRY THORNTON: I do not recommend going into the Government Merchant Marine business with the present state of affairs, a condition which, as far as I can see is going to continue for some time, of there being more vessels, more water carriers than there is freight for. I think our Government would be very foolish to embark on such a policy, but if you ask me what the two alternatives are, there they are.

Hon. Mr. EULER: What is the present value of the ships you still have and how much are you losing by way of operating them, per year?

Sir HENRY THORNTON: Well, that is in the annual report. The operating deficit, Mr. Euler, in 1931 was $444,285.53. That is simply the operating deficit, the difference between revenues and expenses. In addition to that there must be met the interest on the cost of these vessels.

Hon. Mr. EULER: We will have to do that anyway.

Sir HENRY THORNTON: Well, that is a burden.

Hon. Mr. EULER: The interest on the capital cost has got to be paid in any case whether we discontinue them or not, but what I am trying to ascertain is what loss we would avoid if we discontinued these boats.

Mr. ALLAN: If you take into consideration the subsidy that would probably have to be paid on the Australian-New Zealand service, I estimate that at the end of this year you would pay more in subsidy than you would in operating these three steamers.

Hon. Mr. MANION: I might say, for the information of the Committee, that I have been offered, as Minister, by two very responsible companies, a proposition to take over the Australian-New Zealand service without subsidy; but that is not true of some of the other routes. Perhaps I may be permitted to interject here in the midst of Mr. Allan's statement, that when the recommendation went through last year by the Committee, I concurred in it and concur in it yet. I think we should get out of the shipping business altogether. That is my own personal opinion and I think it is probably the opinion to a large extent, of the Government. But the question comes in of trade routes, of established trade associations and connections, and the question comes in of getting proper companies, good companies, to take over those different routes that the Canadian Government Merchant Marine and the Canadian National Steamships are now carrying on, and that brings in the difficulty.

While I had a proposal—and I have had it in writing as well as verbally on two or three occasions—from two companies to take over the Australian-New Zealand service without subsidy of any kind, the proposition in regard to the other routes is not quite so clear. I had hoped to have the Government make a complete move in regard to these ships in toto so to speak; that is, by doing it all at once and not piecemeal. I personally think that this country

should get out of these routes but that they should be taken over by responsible companies.

Hon. Mr. EULER: And in the case of the offers, do you think, or do you not think, that that service would be taken over by private companies and we would suffer no loss if we discontinued others?

Hon. Mr. MANION: I think it is true of some of them, but I should not like to recommend to the Government that we do away with any service until we are sure just what my honourable friend suggests is the case. We might break up established trade connections and associations which might do harm.

Hon. Mr. EULER: Where would that be?

Hon. Mr. MANION: The West Indies, for example. We have a trade treaty, as Mr. Euler knows, with the West Indies and there are some considerations in that treaty that forced the Government to establish steamship services of its own or establish them through private companies.

Might I mention one instance of an offer which I had. I think I mentioned it here before, and the press gave it rather prominent publicity, which I would just as soon they did not give on this occasion although it has no special influence, where a company offered to take over one of the routes. There is an eastern and a western route in the West Indies, and I think it was the western route, but it was a company which was owned in the United States, and I should not like to recommend to the Government that that company, or any company owned in a foreign country, should be permitted to take over one of our trade routes and leave us more or less at the mercy of a shipping company owned in some foreign country.

Mr. DUFF: Mr. Chairman, this is outside of what we are discussing now. There are two matters, the Canadian Government Merchant Marine and the Canadian National Steamships, and I understand it is the Canadian National Steamships which takes care of the West Indies Service, so why should the Minister interject a remark that has regard to a different matter altogether?

Hon. Mr. MANION: Mr. Allan was referring to the Australian-New Zealand Steamship service and he said he did not think we could get it taken over without paying a subsidy. I simply wish to correct that, because we can get it taken over without paying subsidy.

Mr. DUFF: I thought you mentioned the West Indies service.

Hon. Mr. MANION: They all hook up together.

Hon. Mr. CHAPLIN: In respect to the West Indies, if we have an agreement that surely must be binding upon us, and we cannot think of departing from that agreement without getting something from the people with whom we had the agreement. Let us confine ourselves to the Australian one and make some recommendation in respect to it. We are under no agreement there but we are in the other case, and I believe that we, as a nation, must live up to our agreements.

Sir HENRY THORNTON: Might I say, Mr. Chairman, that in answer to Mr. Euler's question I was not thinking of the West Indies' services. They are not a part of the Canadian Government Merchant Marine. I had in mind no thought of abandoning it, or any definite agreement or treaty obligation or anything of that sort. When I said that I thought we should withdraw from the steamship services I was thinking of the Canadian Government Merchant Marine exclusively.

Hon. Mr. EULER: Well, have we any agreement with any of the other dominions that involves the Canadian Government Merchant Marine?

Sir HENRY THORNTON: No, we have not.

Hon. Mr. EULER: Then there is no reason in the world why they should not be discontinued as far as I can see.

Hon. Mr. CHAPLIN: That was the one in regard to which we made our recommendation last year. We made no reference to the West Indies at all.

Mr. CANTLEY: Mr. Chairman, I have expressed my views in regard to the matter of the Canadian Government Merchant Marine on former occasions.

We have altogether 29 vessels in that list; 24 of them are 8,000 tons odd; 2 of them are 10,000 tons odd; and 3 of them are less than 5,000 tons. Now, those boats cannot possibly be operated at a profit by this Government or this country. They are all old. They are all in the vicinity of 15 years old. They are comparatively low power. For instance, you take putting on a boat from Montreal or New York or any of the Atlantic ports, to compete with the kind of traffic that is going across the Atlantic, and you have got to compete with boats of about 14 knots as against these boats of about 9 knots. They cannot get the insurance rates. They are handicapped in every way, and it is impossible for us to operate them at a profit.

Some of these boats are laid up. I think the cost of laying them up is in the vicinity of $100 a day. The department will correct me if I am wrong in that. However, we have 235,000 tons, roughly, of shipping, comprising 29 vessels. Now, if those vessels were sold at an average price of $5 a ton we would get something over $1,000,000, or $1,170,000. That seems like a ridiculously low price, but I venture the opinion that before we get clear of the fleet we will not get on the average a higher rate than that.

In my view the quicker we get clear of them the better, even if we have to give them away because there isn't a possibility of operating them at a profit. I am convinced in regard to that. I have had the privilege or the opportunity of handling a good deal of shipping in my time. The company I was connected with had about 100,000 tons of shipping. I have carried coal, and I have carried ore. We handled about from one to two million tons of cargo a year and there isn't any possibility to-day for this fleet of vessels to do anything but make losses.

Now, surely the proper thing to do is to get clear of those boats as quickly as we can.. I would give them away if I had to raffle them and get clear of the obligation, because they are an obligation and not an asset at all.

I just wish to say this: There are three small boats here in the list, one boat 3,973 tons; another 3,964 tons; and the third 4,554 tons. I haven't got the information before me, but if those boats are tween-deck boats I make the suggestion to the Minister: I am told there are about 10,000 cattle in this country that are fit for export to the Old Country. If that be so, it is highly important to the farmers of Ontario and the farmers of the west that these cattle be moved, and if these are tween-deck boats I would spend on them probably $15,000 or perhaps $20,000 and would put permanent cattle fixtures in them, and I would put them on the service from Montreal. Those boats will occupy about 42 days on the round trip. If they have an ordinary amount of water ballast they will carry enough fresh water for the cattle for that trip. They will have to keep some dead weight in addition to that and that can be provided by corn or grain, or wheat or oats or barley to take them across, and they will come back under water ballast. I understand the existing rate on the St. Lawrence is about $12.50 per head of cattle. I cannot see how any steamship line can carry cattle to-day for $12.50 and make any money. Remember, that in addition to carrying the cattle the steamship owner has to carry their feed; he has to carry the crew that goes over with the cattle, and if the boat is carrying 800 head of cattle he will have about 40 cattlemen. The steamship owner has to berth those men and feed them and bring them back to this side at the ship's expense. That is included in the freight rate of $12.50 per head. I have seen cattle carried from the St. Lawrence as high as $45 a head. I have carried cattle from the

Argentine at $68 a head. I have carried cattle from the United States at about $50 a head. Those were practically during war times, and that was the time when this fleet of boats was built, but that condition has changed absolutely.

Now, I cannot very well see how our western people are going to get 8,000 or 10,000 head of cattle across between now and the close of navigation on the St. Lawrence unless something of that kind is done; and I make the suggestion to the Minister predicating it on the fact that these are tween-deck boats, that he might expend a reasonable and a comparatively small amount of money on fitting them up.

If you talk of fitting a boat for cattle for one trip, a boat to carry say 800 head of cattle, it will cost you about from $4,000 to $5,000 to fit her up. Now, when she gets to the other side, you can do one of two things. If she is coming back, 75 per cent of the fittings will be utilized on the succeeding voyage; if she is not coming back, the fittings are thrown overboard. The custom there is when the ship gets on the other side, and they come out for cattle again, they make a contract with the firm ashore to clean out the ship, take the manure out of it, get the fittings for the cost of removing and taking them away. If she is making a return trip, she will keep her fittings and probably 12½ or 15 per cent will have to be spent on the next voyage to put those fittings back in perfect condition. Now, I have taken up more time of the committee than I had intended. I can only make that suggestion to the Minister, that I think we would be justified in helping the western farmer to get his cattle to the market this season under conditions that exist in this country, not only in the northwest, but also in the province of Ontario.

Hon. Mr. MANION: May I say this in that regard, Col. Cantley? Some days ago I asked my deputy to have Mr. Allen give us a report on that very matter, and Mr. Allen has informed us that a number of those boats are 'tween deck boats. He is now making a report as to the costs of handling those cattle, and as to the probable losses, if there would be losses. I say that we are going into that very matter that my friend suggested.

Mr. ALLEN: May I correct one statement there, Dr. Manion? The suggestion was made that we take three small boats for cattle. We would have to use the 8400.

Hon. Mr. MANION: I was not speaking of any particular boat. You reported to me, or it was reported to me, that there were some of these boats that were 'tween deck boats, and it was a matter of cost as to whether it could be done, and I understand you are making a report now as to the costs and the possible losses.

Mr. ALLEN: The estimated loss over a period of three months would be $6,000 per ship.

Mr. CANTLEY: Carrying how many head of cattle?

Mr. ALLEN: Three hundred and sixty head.

Mr. CANTLEY: How many a ship?

Mr. ALLEN: Three hundred and sixty.

Mr. CANTLEY: It would carry more than that?

Mr. DUFF: How many?

Mr. ALLEN: Three hundred and sixty head.

Mr. CANTLEY: I went across on a voyage when we had over 600 cattle between decks.

Mr. ALLEN: Would you advocate a shelter deck here? It would cost too much money; it would cost $22 a stall.

Mr. CANTLEY: For how many stalls?

Mr. ALLEN: For how ever many stalls you want to put on that deck; I am taking the shelter deck.

Mr. CANTLEY: I think my figures are pretty nearly correct.

Mr. FRASER: How about the inter-coastal movement of lumber; has it fallen off?

Mr. ALLEN: Very considerably.

Mr. POWER: You are still shipping British Columbia lumber to depress the eastern spruce?

The CHAIRMAN: There is a tremendous feeling in eastern Canada in regard to this subsidizing of west coast lumber, coming into eastern Canada,—

Mr. FRASER: They are subsidizing?

The CHAIRMAN: Pretty much the same as a subsidy, because it is carried at a loss; they are paying the difference.

Hon. Mr. MANION: There is an operating profit incidental to that route.

Mr. ALLEN: Yes; but there are two outsides steamers, not the property of the Canadian Government operating on that service to-day, one in Montreal, and the other sails from Vancouver this week.

Sir HENRY THORNTON: They are not our property.

Mr. ALLEN: No.

Hon. Mr. MANION: That is another service that other companies have offered to take over.

Mr. POWER: May I ask how many million feet of British Columbia lumber have been brought down to eastern Canada during the year 1931?

Mr. MACMILLAN: Would it be possible for any of those ships to go into Churchill and load up with grain?

Sir HENRY THORNTON: Well, I doubt it, I think they are probably too slow and too small.

Mr. DUFF: Mr. Chairman, while they are looking up the answer to Mr. Power's question in regard to lumber, may I ask this question: as long as it is decided to keep those ships of the Canadian Government Merchant Marine going, is it necessary to have two financial set-ups or two sets of expenses in regard to the operation of those ships? Why not amalgamate both companies?

The CHAIRMAN: The Canadian National Steamships and the Canadian Government Merchant Marine?

Mr. DUFF: Yes. Why have two different organizations? It must certainly mean the overlapping of expenses.

Sir HENRY THORNTON: Not exactly. They are separate organizations, and they are different; there are different financial arrangements for each service, and I do not think they could be consolidated. Of course, they might be with proper legislation.

Mr. DUFF: Why not? For instance, you have taken a number of boats from the Canadian Government Merchant Marine, and you are using them in connection with the Canadian National steamships service.

Sir HENRY THORNTON: That may be.

Mr. DUFF: Why not put the whole thing under one organization?

Sir HENRY THORNTON: They are to all intents under one organization now. If you did what you suggest, the operating cost would still be the same.

Mr. DUFF: There are two balance sheets here.

Sir HENRY THORNTON: Yes, that is quite true. That is because they are acquired under different financial arrangements.

Mr. DUFF: I beg your pardon.

Sir HENRY THORNTON: They were acquired under different financial arrangements.

Mr. DUFF: You transferred some of the Canadian Government Merchant Marine to the Canadian National?

Sir HENRY THORNTON: If we have done that, there has been a proper book charge made for it.

Mr. DUFF: Why not have it all under one?

The CHAIRMAN: They do not want that. I suppose that is one reason. I would suppose that, as far as I am concerned, I would—

Mr. DUFF: That is exactly what I am getting at. I object to a number of these ships of the Canadian Government Merchant Marine being transferred to the Canadian National Merchant Marine.

The CHAIRMAN: That is fair. Why do that?

Mr. ALLEN: We made a request to the Canadian Government for the transfer of 284-100 ton ships to the Canadian National West Indies to replace four smaller steamships, 8,400, operated at practically the same price as the smaller ships.

Mr. DUFF: What I am coming to is this. You have no trade arrangement with the West Indies service that is necessary for you, if I understand it correctly—you have no trade agreement whereby it is necessary for you to operate freight steamers to the West Indies.

Mr. ALLEN: Yes it is.

Mr. DUFF: Where?

Mr. ALLEN: For the eastern and western service.

Mr. DUFF: You certainly have no agreement in regard to the Porto Rico west?

Mr. ALLEN: No, but they are all pretty close.

Mr. DUFF: Why did you transfer steamers from the Canadian Government Merchant Marine to the Canadian National service as far as Porto Rico and the South America service is concerned?

Mr. ALLEN: We didn't. Porto Rico, however, is only incidental to the British West Indies, and we can get some freight from Porto Rico on the eastern voyage.

Mr. DUFF: You are losing money.

Mr. ALLEN: No sir, we are making money.

Mr. DUFF: No, you are not making any money.

Sir HENRY THORNTON: We can give you the figures, Mr. Duff.

Mr. DUFF: I should like to have them.

Mr. ALLEN: Referring to the question of lumber, there were 59,727 tons, approximately 30,000,000 feet carried in 1931.

Mr. POWER: Approximately 30,000,000 feet?

Mr. ALLEN: Thirty million feet, 59,727 tons.

Mr. FRASER: Where is it absorbed, in the Canadian market or—

Mr. ALLEN: The Canadian market.

Mr. FRASER: What is that?

Mr. ALLEN: All Canadian markets.

Mr. POWER: In competition with eastern Canada spruce.

The CHAIRMAN: My own opinion is it is all in competition with eastern spruce.

Mr. POWER: Some of it may be squared timber.

Mr. ALLEN: Yes, a lot of it is squared timber.

Hon. Mr. MANION: If the Canadian National Steamships did not get the business, a private company would take it over there; I presume there was some competition, anyway.

Mr. ALLEN: Sixty-one thousand dollars were the earnings at Porto Rico last year.

Mr. DUFF: The gross freight.

Mr. ALLEN: Yes.

Mr. DUFF: That would not be earnings, gross amounts.

Mr. ALLEN: Yes.

Mr. DUFF: What is the cost of operation?

Mr. ALLEN: You cannot segregate it altogether from the service.

Sir HENRY THORNTON: You cannot separate that from the other service.

Mr. DUFF: I am objecting to that. I cannot understand why it was necessary in some cases for the Canadian Government Merchant Marine, or the Canadian National Steamships to perform certain services. Under the West Indies agreement, some services had been performed, but I strongly object to the Canadian Government Merchant Marine calling at ports in competition with private enterprise. That is what they are doing in regard to calling at Porto Rico.

Sir HENRY THORNTON: That is another question, Mr. Duff. So long as we have ships, we have to try to get business for those ships whether we take from private business or not.

Mr. DUFF: You do not want to do business on which you are losing money and that is unfair to anybody else.

Sir HENRY THORNTON: We do not think we are losing money in this particular call.

Mr. ALLEN: I can have that figure worked out for you.

Sir HENRY THORNTON: It is simply a call made in line with the other services given. It is included in the costs of calling at other ports, but we can get it for you.

Mr. DUFF: You do not have to call at Porto Rico in order to fulfil obligations under the West Indies agreement?

Sir HENRY THORNTON: No, so long as we fulfil that obligation and call at Porto Rico, and get some additional business at a profit, we think we should do it.

Mr. DUFF: I do not think you are making any profit.

Sir HENRY THORNTON: I think we are.

Mr. FRASER: I wonder if the officers could tell me if the British Columbia lumber is of a class or kind that does not compete with eastern lumber.

Mr. ALLEN: That I cannot answer; that is a pretty hard question to answer.

The CHAIRMAN: I looked into this once, because I had some very strenuous complaints about it. I think I wrote to you once, Sir Henry, about it. I got some information that a very substantial part of the shipments were of a class or kind that did not compete with eastern Canada. I think that ought to be stated in fairness.

Sir HENRY THORNTON: Sixty-five or seventy per cent is not competitive in Eastern Canada.

The CHAIRMAN: That is the case.

Sir HENRY THORNTON: I am not far wrong.

Mr. ALLEN: Approximately

Mr. DUFF: Square timber and round pilings?

Mr. ALLEN: Probably square.

Sir HENRY THORNTON: Probably squared.

Mr. ALLEN: We brought some pilings once or twice.

Sir HENRY THORNTON: Mr. Allen says on one occasion we brought some pilings.

The CHAIRMAN: It must have been extremely long stuff.

Sir HENRY THORNTON: It was not very much; it was over 40 feet.

Mr. ALLEN: In length.

Mr. DUFF: They move quite a lot of piling.

Sir HENRY THORNTON: We do not, Mr. Duff.

Mr. DUFF: You did a couple of years ago.

Mr. ALLEN: Not within the last two years.

Sir HENRY THORNTON: I do not think we would.

Mr. DUFF: I know one of the boats landed at Digby enough to build a big wharf there. One of my men claimed B.C. fir as piling; a mixture of wet and dry, will stand conditions far better than any other piling. I am just giving that for what it is worth.

Mr. DUFF: It is not as good as New Brunswick and Nova Scotia spruce.

The CHAIRMAN: I agree with Mr. Duff. There is this feature, they get length that you cannot get now in eastern Canada except at great cost.

Sir EUGENE FISET: 12 x 12 x 40 feet long.

Mr. DUFF: I move this report be adopted.

Carried.

The CHAIRMAN: The Canadian National West Indies. Mr. Allen, is there any improvement in the situation there?

Mr. ALLEN: There is a slight improvement; I think we have a very material improvement this year.

The CHAIRMAN: I am glad to hear that.

Mr. DUFF: Would you let me know why you have to operate these particular boats?

Mr. ALLEN: It is part of a treaty obligation.

Mr. DUFF: What part?

Mr. ALLEN: The part in connection with freight service to the eastern islands in conjunction with passenger service.

Mr. DUFF: From Nova Scotia and New Brunswick?

Mr. ALLEN: Montreal in the summer, Halifax and Saint John in the winter. We direct the steamships from Halifax.

Mr. DUFF: As part of the agreement?

Mr. ALLEN: Part of the agreement.

The CHAIRMAN: Are these freight boats making or losing money?

Mr. ALLEN: The eastern boats?

The CHAIRMAN: Yes.

Mr. ALLEN: The eastern boats are not making any money; the cargo boats are not making any money. That is the reason why we asked for the transfer of the three larger boats from the Canadian Government Merchant Marine to the Canadian National West Indies freight. They are approxim-

ately the same type to operate as the smaller type of boat. We can operate these steamers at a saving of 25 per cent.

The CHAIRMAN: That has been done?

Mr. ALLEN: That has been done.

The CHAIRMAN: You have effected a saving there? Well now, with regard to the Lady boats, and the freight; I notice there is a reduction in the operating revenue as a whole. Are you getting your share of the freight from, say the Barbadoes?

Mr. ALLEN: No, sir, we are not.

The CHAIRMAN: What efforts are you making? I understand the reason is that competition is so keen from the foreign tramps operated by the Ocean Dominion Line.

Mr. ALLEN: And other foreign tramps as well, sir.

Mr. CHAIRMAN: In addition?

Mr. ALLEN: Yes.

The CHAIRMAN: Under bidding?

Mr. ALLEN: Under bidding. We had a freight rate on sugar, which is the principal commodity that moves out of Barbadoes at 19 cents, two years ago. We had to bring that rate down to 12 cents on sugar this year to come up to tramp competition.

The CHAIRMAN: That may be money well spent in the long run.

Mr. ALLEN: It may be.

The CHAIRMAN: I had some idea a year ago, possibly if you reduced the rate, you would get the business.

Mr. ALLEN: That is what we have to do.

The CHAIRMAN: I think myself, you know, that it is very unfair, on the part of the people of the British West Indies, after what we have done and the expense we have gone to, to establish this magnificent line of ships down there under the treaty, in good faith, in fulfilment of the covenant entered into under the Canadian West Indies treaty, that they do not support this line.

Mr. FRASER: What was the proportion of the freight we took away?

The CHAIRMAN: I was looking into it a year ago when I was down there, and it was a very substantial part.

Hon. Mr. MANION: Tell them about the difficulty this year in regard to sugar.

Mr. ALLEN: This year we decided we had to go out and meet this tramp competition from Barbadoes. We did not carry one pound of sugar from the island of Barbadoes over the whole of the past year.

Mr. FRASER: You carried some this year?

Mr. ALLEN: Yes. We had to cut in.

Sir HENRY THORNTON: To meet the price rate.

Mr. ALLEN: To meet that competition. We have booked up about 38,000 tons up to this time.

The CHAIRMAN: What proportion would that be—half?

Mr. ALLEN: Under half; the estimated crop is 75,000 tons, coming into Canada. At least 75,000 tons of shipments from Barbadoes.

Mr. FRASER: You said a moment ago you expected to do better this year. Why was that?

Mr. ALLEN: Reducing our operating expenses.

Mr. FRASER: Not all due to the increase in traffic.

Mr. ALLEN: No, I doubt very much whether there will be any increase of profit in regard to the western service.

Mr. CANTLEY: What are you carrying from Demerara.

Mr. ALLEN: Sugar, rice, cocoa beans—

Mr. CANTLEY: What are you getting?

Mr. ALLEN: The same price; you cannot quote one from one island, and one from another.

The CHAIRMAN: Distance has nothing to do with it.

Mr. ALLEN: Not a particle.

The CHAIRMAN: You still have competition with the Ocean Dominion?

Mr. ALLEN: Absolutely.

Mr. DUFF: I spoke a moment ago about having two sets of book-keeping for these two services. I notice that the head office expenses—I am not criticizing this, I am talking as a business man—of the Canadian National West Indies Steamships are $300,000 and the Canadian Government Merchant Marine $300,000. I notice management and office salaries of the Canadian National Steamships, $175,000, and management and office salaries of the Canadian Government Merchant Marine, $153,000; that is $320,000 for head office salaries and management alone. Now, it seems to me that for a little business like this that is too much money.

Mr. ALLAN: That is not only head office; that is all offices.

The CHAIRMAN: That is management and office salaries of all offices. Well, of course, even at that Mr. Duff is quite right; it looks pretty large.

Mr. ALLAN: It is only 8·3 per cent of the earnings.

Mr. DUFF: I notice operation of Overseas Agencies, $106,000, in addition to that.

Mr. ALLAN: That is Australia and New Zealand.

Mr. DUFF: I am talking of the items on page 6 and page 16.

Mr. ALLAN: That $106,000 is the Australian and New Zealand offices.

Mr. DUFF: That is in addition to the head office.

The CHAIRMAN: They have reduced that by $40,000.

Mr. DUFF: That may be, and that is the reason I think the two should be amalgamated.

The CHAIRMAN: You have the Austin firm at Bridgetown.

Mr. ALLAN: On a commission basis.

The CHAIRMAN: Is that a good basis, or would you do better if you had your own people?

Mr. ALLAN: We cannot afford to maintain our own offices at all those small islands. We have a general agent in Barbadoes who controls the West Indies islands. He has eleven ports of call.

The CHAIRMAN: He is supposed to be looking up business and making contacts?

Mr. ALLAN: And controlling the agencies.

The CHAIRMAN: Do you find that is necessary?

Mr. ALLAN: Yes.

The CHAIRMAN: I thought he was a very bright chap.

Sir HENRY THORNTON: The activities of these agents have to be checked and examined.

The CHAIRMAN: They are a very reputable house.

Mr. ALLAN: Yes.

Mr. DUFF: It is 6 o'clock. I move that the report be adopted.

Mr. MCGIBBON: I have been looking over this list concerning the names of broadcasting artists, and I would like to have the other year as well.

The Committee adjourned to meet Friday, May 13, at 11 o'clock a.m.

HOUSE OF COMMONS, ROOM 231,

MAY 13, 1932.

The Select Standing Committee on Railways and Shipping met at 11 a.m., Mr. Hanson presiding.

The CHAIRMAN: Gentlemen, the first order of business this morning is in relation to the question asked by Mr. Beaubien with reference to the improvements to the Chateau Laurier.

Sir HENRY THORNTON: This is the question asked by Mr. Beaubien: "what the Canadian National Railways spent in preparing the suite for the Prime Minister in the Chateau Laurier, the number of rooms he took, and what rent he paid?" The answer is (*a*) expenditures in preparation of the suite for the Prime Minister, alterations to building charged to capital, $29,005.68; charged to operating, $61,626.72; total, $90,632.40; furnishings, charged to capital, $20,111.54; charged to operating, nil; grand total charged to capital, $49,117.22; charged to operating expenses, $61,626.72; total, $110,743.94. (*b*) Number of rooms, 17, alterations were made to 15 of these. (*c*) Rental, $400 per month.

Rt. Hon. Mr. BENNETT: Mr. Chairman, my attention has been directed to the fact that a whispering campaign in connection with these expenditures has been going on for some time, and I think it desirable that a statement should be made without further delay. I have resided at the Chateau Laurier since I first came to Parliament. After I became Leader of the Opposition I had somewhat better quarters than I previously had. On one occasion Sir Henry Thornton was in my room talking some business, and he said, "How do you like your rooms?" I explained to him that I liked them very much; they were on the first floor, on the west side, facing these buildings. He said, "I should like to provide a suite at the end of this corridor," or words to that effect. And as a matter of fact, I was taken with the idea that I would have more commodious quarters for myself and my sister. After the election the matter was again referred to, and I find that I left here in September, as is well known, and in October, having spoken before that about the matter to one of my colleagues, I received an intimation dated October 3, 1930, that indicated that the changes at the Chateau would involve an expenditure of $50,000, and that the railway car might involve, to which I shall refer later, an additional expenditure beyond what was originally thought. I immediately cabled as follows to Sir George Perley: "I agree that at cost indicated proposed alteration should not be made at Chateau or on car. In any event had intended paying interest."

That was the message I sent. That was dated the 3rd day of October, 1930, while I was in London. It will therefore be observed that the contemplated expenditure was $50,000 on the changes at the Chateau. I have a memorandum prepared for Sir Henry Thornton indicating that that would be the maximum charge. "As a matter of fact, while we have not completed our estimates, $50,000 would be the outside figure, and Schofield thinks $35,000 or $40,000 a nearer estimate." That is the position with respect to the hotel. I was not aware of the expenses having reached any such figure as indicated until this year. I did not take possession of the suite because I was alone and when I found that there were rumours of the expenditure being much larger than I had been told, I thought it very undesirable that I should. The manager of the hotel spoke to me in

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September, 1931. I was not then in the suite. But in the same month, I asked him what the rent was. He communicated with Montreal, either went there or communicated I don't know which, and he told me that on the basis that I had discussed, namely that I was willing to pay six per cent on the expenditure to be made, I concluded $5,000, and, after allowing for everything, $80,000, would be a reasonable sum that I should pay six per cent upon. But I did not urge that matter on him. He took it up with Montreal, and told me what the charge would be. But he said further that as these are depressed times, that was a fair charge for yearly occupancy of these premises in the hotel, but further stated that I was expected to expend substantial sums in the hotel in hospitality expenses rather than going outside the hotel, which he thought would be very desirable. I think on the 17th of September I moved into the premises. I do not keep a very accurate statement of the moneys I expend. I spend them, if I have them, and that is all there is about it. But I asked the ledgerkeeper at the hotel to furnish me with a statement as to what my expenditures had been, and I have it just as it was handed to me. In the year 1930 I paid the hotel $11,943.67; in the year 1931—and during 1930 I was absent five months, but I still paid for the premises I occupied—in 1931 I paid for the premises I occupied for 12 months, although I was absent apparently something like two months of that period, I paid $19,838.38; and for the year 1932, the present year, in the first four months my payments to the hotel have been $8,236.06. Those are the figures given me by the hotel ledgerkeeper yesterday.

Mr. DUFF: That includes rent and everything?

Rt. Hon. Mr. BENNETT: What I say; that is the sum I have paid the hotel. I might conclude that statement by saying that part of that would be repayment of cash that would be received by me. I am not in the habit of carrying much money; I sometimes ask for $50 or $25, and all such sums would be included. They have not been segregated; so I am not in a position to say how much of that might be small sums of cash received by me. I make that statement, Mr. Chairman, so there may be no misunderstanding about it. Those are the figures for that period. Those are the figures given to me, and that is all I can say with respect to the matter. I still think that there must be some error as to the amount expended in the alterations. Most all of you, Mr. Chairman, will realize where the rooms are. They are on the west side of the hotel, a number of small rooms, and the figures that are given for the number of rooms now include closets, I still think that the figures are out of all proportion to what I would expect the expenditure to be; and you will observe that the estimate given me in London was as I have indicated. I left here in September. When I received the information, I sent the cable in question, and when I came back, the letter that has been read here was shown me by Dr. Manion, the Minister of Railways, and for some reason the work did not progress very rapidly, and as a matter of fact it was September 17th when I took possession of the suite. I have always paid whatever sum I was asked to pay, in that and in other hotels. I have taken premises by the year, and I continued to pay whether I was in occupation or not. I am only too anxious to make known to this committee and to anybody who desires to ask any question, that I have not availed myself of the use of any officials of any department for gratuitious services to myself, nor do I propose to. If there is one thing about which I have tried all my life to be very careful, it is that. Neither the Experimental Farm nor the Public Works Department nor any other department of public service have contributed to my well being, or provided servants or worked for me, in any way, shape or form. The sums that I have mentioned to you, sir, represent what I paid the hotel outside of gratuities. That is the position in respect to that, and I have paid substantial sums.

Now, with respect to the car, about which questions have been asked. My memory is, at the present time, the railway asked me how I liked the car, and I told them there were certain inconveniences about it, and they said, "We are building a new car, or require a business car," and they said, "We will trade with you, if you so desire." Well, I said, "I would prefer another layout in the car than the one that is in this car." I thought nothing more of it until I received a message from Sir George Perley in London, confirming the matter, and I sent a cable to Sir George Perley that I just read. When I came back the car was exchanged for car 100. I saw the trucks under the present car, and they are old trucks. I looked at them one day after some question was raised in another place. I cannot see that, so far as this is concerned, it cost anything at all. What happened was, one car was taken, and another given. That is all. And the car that was given was a car that was being built, or about to be built, on the old trucks that are still under it. I believe a Prime Minister's car has been provided during the years. If it is not desirable that it should be, I am quite content. It is not a matter of importance to me whether I have it or not. That is all I think I can usefully add to that story, and I am ready to answer any question that may be asked about it.

Mr. GRAY: Mr. Bennett, you kindly offered yourself here as witness?

Rt. Hon. Mr. BENNETT: I have.

Mr. GRAY: I would like to ask one or two questions with respect to the hotel matter. You heard the statement given by Sir Henry to-day that your suite absorbed probably 17 rooms?

Rt. Hon. Mr. BENNETT: Fifteen rooms.

Mr. GRAY: I understood 17.

Rt. Hon. Mr. BENNETT: I think they said there are 17 in the present suite, including bathrooms.

Mr. GRAY: May I have that, Sir Henry. I thought it was 17.

The CHAIRMAN: This is what the statement says:—

The number of rooms 17.—alterations were made to 15 of these.

Sir HENRY THORNTON: I think the explanation of that is there were two rooms which were incorporated into the present suite without alterations, or without any material alterations.

Mr. GRAY: Mr. Bennett, I think I may safely say to you that you have lived a great part of your life in hotels?

Rt. Hon. Mr. BENNETT: Yes.

Mr. GRAY: And you are well aware of the standard rates of hotel rooms?

Rt. Hon. Mr. BENNETT: I am thoroughly well aware of the rates in hotels, and know it is a question of rates per annum based upon the question of occupancy.

Mr. GRAY: May I ask you what you paid for your former suite that you had prior to this?

Rt. Hon. Mr. BENNETT: I do not know the exact figure that I paid, but as I did not go into occupancy until September, I asked for the figures for 1930 that I paid the hotel, and I found I paid the hotel $11,943.67.

Mr. GRAY: I am stating I am not concerned with what you paid to the hotel, I am concerned with how much you paid by way of rental for the suite that you occupied prior to this one.

Rt. Hon. Mr. BENNETT: I have not those figures beside me, except that I observe I paid in the month of October, $372, and November, $360, I notice in the slips I have before me.

Mr. GRAY: How many rooms?

Rt. Hon. Mr. BENNETT: I had, if you count them all, a bedroom, sitting-room, another bedroom, and a small room.

Mr. GRAY: May I take it the rental was at least $200 a month for the four?

Rt. Hon. Mr. BENNETT: I assume you can find out from the hotel accurately. I do not carry them right in my mind, but I should think it was that.

Mr. GRAY: We now agree that you are paying $400 a month for these 15 or 17 rooms?

Rt. Hon. Mr. BENNETT: There is no doubt, that is what I have been asked to pay.

Mr. GRAY: Yes; that is what you are paying.

Rt. Hon. Mr. BENNETT: I am paying always what I am asked.

Mr. GRAY: Might I suggest you put it on a per diem basis. Would you tell from your head how much that amounts to per day per room?

Rt Hon. Mr. BENNETT: I am not going to make that computation, Mr. Gray, for you. I do not propose to make that computation for you.

Mr. GRAY: Supposing I do.

Rt. Hon. Mr. BENNETT: You can make it, I assume, as well as I.

Mr. GRAY: Taking an average month of 30 days, rental of $400, and it comes to something like a little over $13 a day for 17 rooms. Do you dispute that?

Rt. Hon. Mr. BENNETT: I am not disputing it.

Mr. GRAY: Do you consider that that is a fair sum to pay?

Rt. Hon. Mr. BENNETT: I am not answering that question for the reason that I am not conducting the hotel. I am not the manager of the hotel. The hotel has been managed by the Canadian National Railways System, and they asked me that much money, which I have paid. If they asked me five I would have paid it. I have nothing whatever to do about imposing rates at all, but I do know this that the question of the occupancy of the hotel is what determines the rate, when you hire a place. If you have not had any experience in that regard, I have.

Mr. GRAY: Not to the same extent.

Rt. Hon. Mr. BENNETT: I rent it by the year. I think I said I was willing to take it for a couple of years if they so desired. That is the position; they rent it to me, not by the day, but by the year, and I have paid.

Mr. GRAY: As Prime Minister of this country, having in mind what these alterations have cost the country, do you still persist in the thought that you have no responsibility with the respect to what a reasonable payment is for the hotel?

Rt. Hon. Mr. BENNETT: I still believe that the statement as to the cost must be erroneous, in view of the representations I have in writing, that the maximum figure was to be $50,000. That was in October, 1930.

Mr. GRAY: Would that amount include furnishings?

Rt. Hon. Mr. BENNETT: All I know is that is what it says here. This is what Sir Henry Thornton says: "As a matter of fact, while we have not completed our estimates, $50,000 would be the very outside figure. Schofield thinks $35,000 or $40,000 a nearer estimate."

The CHAIRMAN: Who is Schofield?

Rt. Hon. Mr. BENNETT: I understand the architect.

Mr. GRAY: Did you make any enquiries on your return, Mr. Bennett, as to what the actual outlay had been?

Rt. Hon. Mr. BENNETT: I am not in the habit of doing things like that.

Mr. GRAY: With respect to furnishings, did you make any enquiries there?

Rt. Hon. Mr. BENNETT: As a matter of fact, I was not familiar with furnishings until they were made.

Mr. GRAY: When did you learn that these hotel alterations had cost this country $110,000?

Rt. Hon. Mr. BENNETT: I did not know the figures until I saw them the other day, but I had been told by Mr. Van Wyck that it was over $100,000.

Mr. GRAY: When were you told that?

Rt. Hon. Mr. BENNETT: That was right before I went into occupancy.

Mr. GRAY: In view of that, and your prior suggestion that you were desiring to pay six per cent on the investment, did they suggest to you that your rental therefore should be increased in view of that increased cost of alterations?

Rt. Hon. Mr. BENNETT. I did not say that. I said I proposed to pay interest of six per cent on the cost that was estimated to me. I told you exactly what had happened.

Mr. GRAY: Yes.

Rt. Hon. Mr. BENNETT: That I was asked—I did not go into possession—it was not built for me. The place was not made for me. After I declined to take it, and had sent the cable, so stating I declined to take it. It was then no longer being done for me; it was done as a matter of business by the hotel management. I hope you have got that in your mind. The suite was not made for me. I cabled directing that it be not done, in consequence of a cable that I received in London from Sir George Perley dated the 3rd of October. Then the president took the matter up with the Minister of Railways, as to the completion of this suite, and it is open for anybody who wants it. I am willing to vacate it to-morrow.

Mr. GRAY: As a matter of fact, you have no lease with the railway?

Rt. Hon. Mr. BENNETT: I have no lease, no.

Mr. GRAY: You can vacate to-morrow, if you desire?

Rt. Hon. Mr. BENNETT: As a matter of fact, if the railway say they desire me to stay, I think I am bound to stay.

Mr. GRAY: You have no written lease?

Rt. Hon. Mr. BENNETT: I have not a written lease, no.

Mr. GRAY: Is it not a fact that plans were submitted to you while in London?

Rt. Hon. Mr. BENNETT: Plans came over, my memory is that plans came over, but I paid no attention to them one way or another. I was concerned with other things. I think they came back with me. I sent that cable. That is what I did.

Mr. GRAY: I can refresh your memory perhaps to this extent. There was a letter filed a few days ago, when this matter came up, to the Minister from Sir Henry, dated January 2, 1931. Sir Henry said in the second paragraph:—

> Shortly after the last election I heard that the Prime Minister was considering building a house in Ottawa. Naturally we did not want to lose so important a guest, and out of that there grew the thought that we could quite justifiably arrange quarters for him at the Chateau which would measurably meet the facilities of the house. Accordingly, I had a plan prepared, representing what I thought should be done. After considerable delay, this plan was eventually approved.

Hon. Mr. MANION: It does not say approved by the Prime Minister.

Rt. Hon. Mr. BENNETT: It does not say approved by me.

Mr. GRAY: I am asking if you approved.

Rt. Hon. Mr. BENNETT: So far as I can find out from the Canadian National Railways there was no approval given by me of their plans, because I learned after I came back the work actually had been started by October, 1930. That is what I had learned. Any facts in that regard can be ascertained. I did not charge my memory with the details of this, but only from my files that I have here; but as I say to you, when I found that $50,000 was involved, I sent the cable. As a matter of fact, it may have been completed before September; but to be perfectly frank about it I didn't desire to go into the suite at all at the end. That is the real truth about it.

Mr. GRAY: All I want is some information.

Rt. Hon. Mr. BENNETT: Well, you are getting some information. It is easy to ascertain, if you desire the information, the number of pairs of boots I have. Probably you would like to know what it cost me to run my automobile last year, or what I pay my tailor?

Mr. GRAY: Well, I presume you pay for your boots the proper price that any ordinary individual pays.

Rt. Hon. Mr. BENNETT: I am in the habit of paying what the maker of the boots charges me.

Mr. GRAY: And you pay the retail price for them?

Rt. Hon. Mr. BENNETT: I cannot say as to that; I pay what I am asked to pay.

Mr. GRAY: Let me go back, Mr. Bennett, to the cost of this suite. Did you know the cost of this suite before you went into occupancy?

Rt. Hon. Mr. BENNETT: I did not know the cost of it, no. I know that it was said to have cost over $100,000; but there was a picture in that suite which I am told cost $20,000; and, of course, it was removed before I went in. I, therefore, had no idea as to what the cost was definitely until the last ten days, and then I learned what is now before the Committee.

Mr. GRAY: And did you inquire at that time as to the rental you had to pay?

Rt. Hon. Mr. BENNETT: When?

Mr. GRAY: At the time you went in.

Rt. Hon. Mr. BENNETT: I certainly did. Mr. Van Wyck, the manager, told me. He either said he had been to or had telephoned to Montreal, I don't know which.

Mr. GRAY: I say again to you that you did not suggest in view of the low rental that was being allowed, and in view of the increased cost, that you ought to pay a higher rental in proportion to the cost?

Rt. Hon. Mr. BENNETT: As a matter of fact, I did not know until the other day that the cost was more than $80,000.

Mr. GRAY: Now that we do know, Mr. Bennett, may I come back again and ask you: Do you consider that you are paying a fair rental for the investment made in that hotel?

Rt. Hon. Mr. BENNETT: As a matter of fact I still think that the investment is not as indicated; I think there must be some error. Knowing the place as I do over a period of from fifteen to seventeen years, and knowing the changes made, I cannot think that it is possible. So far as I am concerned, I have paid what I have been asked to pay, and I am paying now what I have been asked to pay. If I am asked to pay a larger sum I will either pay that sum or vacate the premises, as they were not constructed for me.

Mr. GRAY: Do you say that quite frankly?

Rt. Hon. Mr. BENNETT: They were not constructed for me, because of what I have said; when I found that it involved such an expenditure I cabled, as indicated.

Mr. GRAY: Did you occupy them when you came back?

Rt. Hon. Mr. BENNETT: I did not take possession until September, 1931.

Mr. GRAY: Were they completed prior to that?

Rt. Hon. Mr. BENNETT: Yes.

Mr. GRAY: How long?

Rt. Hon. Mr. BENNETT: I don't know for how long, for some time.

Mr. GRAY: You have mentioned, Mr. Bennett, the total sums that you have paid to the hotel during several years, and I think I may take the stand that you have paid for the entertaining of your guests, and so on, but supposing that you decided that you would cease giving banquets, entertainments and matters of that kind, do you still insist that a rental of $13 a day for your suite is a fair rental to pay?

Rt. Hon. Mr. BENNETT: As a matter of fact, when Mr. Van Wyck said that was the rental he stated it was on the assumption that the entertaining that I would do I would do in the hotel.

Mr. GRAY: Do you think that should be included in any allowance made?

Rt. Hon. Mr. BENNETT: Certainly Mr. Van Wyck was of the opinion that they would make a corresponding profit, I take it, by reason of the sums I expended.

Mr. GRAY: I am not asking Mr. Van Wyck's opinion; I am asking yours.

Rt. Hon. Mr. BENNETT: I respectfully indicate to you that I am not conducting the business for both parties at the same time. The proposition was put to me which I accepted, and I have paid accordingly.

Mr. GRAY: Do you get that allowance in other hotels throughout the country?

The CHAIRMAN: I do not think that is a relevant question and I rule it out.

Rt. Hon. Mr. BENNETT: I am perfectly willing to answer.

Mr. GRAY: Mr. Bennett, I have tried to be fair with you, but is it your idea of statesmanship to occupy a suite of 17 rooms paying the Canadian National Railway people the sum of $13 a day, because I remember a remark by an honourable gentleman in the House respecting those who received something that they don't give value for.

Rt. Hon. Mr. BENNETT: Well, there is a great difference between receiving stolen goods, Mr. Gray, and goods that have been paid for. I am a guest at the hotel. I am paying at that hotel the price which the hotel asks me to pay. If they ask more then I will consider whether or not I will pay it or vacate. I have never been in the habit of fixing both the vendor's and purchaser's price. I started in on this assumption, that it would cost me 6 per cent,—I thought that was a reasonable sum to pay upon the improvements they put on the hotel at $50,000; that would represent $3,000 per annum, and I was willing to pay that to the hotel. I am still surprised beyond words that those improvements cost any such sum, and, as a matter of fact, I was quite willing to go into the premises on that assumption.

You asked me what my experience in other hotels has been. It is this: The prices of hotel rooms are fixed on the basis of the percentage of occupancy during the year, and if they have a yearly occupancy they work out the rate on the basis of the percentage of the time that it is ordinarily occupied. Mr. Van Wyck tells me that those fifteen rooms would bring $63.50 per day if they were occupied all the time, but he tells me that the average occupancy of them

would be one day per week owing to their size and location, and that he has actually got more money from me than he would have got from the fifteen rooms.

Mr. GRAY: That is, after the change?

Rt. Hon. Mr. BENNETT: After the change, yes.

Mr. GRAY: But before the change?

Rt. Hon. Mr. BENNETT: Before the change they would average one occupancy per week, one day per week, 52 weeks in the year. I suppose you do not know but the rooms were very small rooms with high ceilings, on the first floor, and they are the farthest away from the elevator of any rooms in the house. In going to them you have to pass by the Quebec suite where people are frequently being entertained, and that is not altogether an advantage. However, I have paid what I was asked to pay, and that represented the average rent of occupancy of the property. As I say, I originally started in on the assumption that the expenditure would not exceed $50,000. I have been offered houses on a much more reasonable basis that would be quite as satisfactory, from my standpoint. I have gone to London and I have arranged in hotels for rooms by the month and the figure in a month in relation to a day is rather surprising. It is purely a question of occupancy.

Mr. GRAY: Do you get a special allowance because of entertaining at those hotels?

Rt. Hon. Mr. BENNETT: I was not getting any special allowance because of entertaining here. I did not say that, and I wish you would not put words in my mouth. However, Mr. Van Wyck said that he would expect me to entertain my guests, as I do, at the hotel rather than outside, as I had been accustomed to do, and I told him that was my intention, because the hotel is so admirably equipped for that purpose. I do not know of a place in the world better equipped for entertaining on a large scale than that hotel.

Mr. GRAY: I am instructed that members who stay there the season round pay $4 or $5 a day for their rooms and get no allowance.

Rt. Hon. Mr. BENNETT: I do not know what you mean by the season round.

Mr. GRAY: Well, the session.

Rt. Hon. Mr. BENNETT: That is a different thing. I was absent five months in 1930 and I paid for twelve. I want to bring to your mind this fact, that it is a continuous occupancy, and I pay by the year and not by the day, nor by the week, and that whether I am there or not, whether the facilities are being used or not, I still am paying.

Mr. GRAY: Well, then, just one more question: In view of the fact that you now know that this suite did cost a great deal more than you thought or estimated, and if you find that those figures are correct, are you prepared in view of the condition of the Canadian National Railways to make an adjustment with them and pay what might be more commensurate for the suite by way of rental?

Rt. Hon. Mr. BENNETT: It is an amazing thing that one in the position of a member of the House of Commons should ask me what I am prepared to pay. I have been prepared all my life to pay my debts, and shall always endeavour to pay my debts. When the hotel asks me for an additional sum for my apartments I will consider whether I shall pay it or not.

Mr. GRAY: Do you not consider, Mr. Bennett, that it makes any difference whether or not you occupy the position of plain Mr. Bennett or Mr. Bennett the Prime Minister of this country? Doesn't it strike you as making a difference?

Rt. Hon. Mr. BENNETT: I don't know what you mean.

Mr. GRAY: I cannot make it plainer. Do you not think, as the Prime Minister of this country and one who has a certain responsibility to those Canadian National Railways, that you should certainly consider whether or not you are being fair in the way of—

The CHAIRMAN: The Canadian National Railways provided a house free for Sir Henry Thornton.

Mr. GRAY: I am not discussing that.

Rt. Hon. Mr. BENNETT: My position is this, and I want to make it perfectly clear: Do you, for instance, say to the hotel "I think the price charged is not adequate."

Mr. GRAY: I am not the Prime Minister of Canada.

Rt. Hon. Mr. BENNETT: No, I should think not. Does any guest do more than pay what he is asked to pay? I receive my bills from the hotel. There is the record of the hotel as to what I pay.

Mr. GRAY: If I got a room for seventy-five cents a day I would think there was something funny about it, Mr. Bennett.

Rt. Hon. Mr. BENNETT: I can only suggest this, if there is anything funny about it, it might have been the desire on the part of some people to compromise me—I don't know; I have not any thought of that in my mind. It might have been, but I have not had that thought. I paid exactly what I was asked to pay, and I believe that $5,000 a year—as a matter of fact $5,000 was the sum that was mentioned—is the sum that I pay for the use of those premises whether I occupy them or not. That is the sum the railway company has asked me to pay. Your suggestion is that I should volunteer to pay a larger sum?

Mr. GRAY: I certainly do.

Rt. Hon. Mr. BENNETT: Because the railway company has spent more money than they should, that is your suggestion?

Mr. GRAY: Yes.

Rt. Hon. Mr. BENNETT: Well, I have never been in the habit of dictating other peoples' prices who do business with me. I simply pay what I am asked to pay.

Mr. GRAY: What I do suggest, Mr. Bennett, is that you had in mind when you first considered the proposition the amount of capital expenditure to be involved and that you then discussed the question of how much you should pay, taking it from an interest point of view, and you discussed it with them; therefore, you had something to say with respect to how much you should pay.

Rt. Hon. Mr. BENNETT: It would be observed I said in the telegram to Sir George Perley that I proposed to pay interest on the capital expenditure on a basis not exceeding $50,000, which is $3,000 per annum which, added to $1,800 made $4,800. I do not remember what I paid before, but at any rate I was willing to pay six per cent, of course, upon a reasonable expenditure estimated at not more than $50,000; and if someone made an expenditure beyond that surely I have a right to determine whether or not I will pay more or less than I was asked to pay.

Mr. DUFF: Mr. Chairman, Mr. Bennett in his statement, if I got it correctly, said that the rental he pays of $400 a month is based on an interest rate of six per cent on $80,000.

Rt. Hon. Mr. BENNETT: I did not say it is based on that, no. I did not say the present rate is based on that. I explained the circumstances in the estimate of cost, and I said, "That is what I was asked to pay."

Mr. DUFF: Yes, you were asked to pay six per cent on—

Rt. Hon. Mr. BENNETT: No, no.

Mr. DUFF: Well, the rate is based on an interest charge of six per cent on eighty thousand dollars?

Rt. Hon. Mr. BENNETT: Surely the hon. gentleman knows what was said. I said originally I had expressed a willingness to pay six per cent interest on the cost of making the alterations providing I have an estimate of them there, and you see what I have read, but when it came up to another figure, well, that is a different thing altogether. There was no question then of any interest rate or anything. They just told me what they wanted from me and I said, "All right."

Mr. DUFF: I suggest, Mr. Chairman, that this rate of $400 a month is based on a rate of six per cent on an investment, or an expenditure of changes in those rooms of $80,000. I would like to suggest further to you, Mr. Bennett, that this figure of $80,000, even at that figure—of course the figure was more—but taking the figure of $80,000, is it not a fact that the investment to the hotel is much greater than that $80,000, or $110,000? These seventeen rooms, I suggest, comprise part of that hotel, and in order to arrive at a proper rental basis by the hotel authorities—I am not saying you—but by the hotel authorities—instead of figuring a rental value on a basis of either $80,000 or $110,000, I suggest in view of those circumstances it should be based on about $200,000. In other words, the cost of that part of the hotel, the building itself, must be added to the amount of the alterations and repairs amounting to $110,000. Do you not think that the rental basis should be based on the building instead of on the repair account?

Rt. Hon. Mr. BENNETT: Mr. Duff, I really am not a hotel man. I do not think that hotel was constructed, or the several million dollars that have been expended on it were spent on the theory that it was going to pay a large dividend. This was the capital city, so the Grand Trunk Pacific Development Corporation said when they started it. They built the hotel originally, and a place in the park was provided for it because this was the capital; then the demand for further space came. I am told, by those who know, that the question of rates in hotels have been based upon the question of occupancy. If you have a 100 room hotel which is occupied fully for every day in the year then your rates are based upon 100 per cent occupancy. It becomes, of course, a much lower rate than if you have a 50 per cent occupancy, or a 40 per cent occupancy or a 30 per cent occupancy. All I know is the management of the hotel tells me that the fifteen rooms that were incorporated into one flat were fifteen small rooms, and that the average occupancy of them would be one day per week, that is, 52 days per annum because of their location and their size and other circumstances, except in times of conventions when every room is taken. I just give you that as I received it. My opinion is no more valuable than yours in respect to that, nor yours than mine.

Mr. DUFF: I might suggest to you, Mr. Bennett, along that line, that I occupied one of those rooms that now comprise your suite, for a session and I paid $8 a day for the whole session, for one room, a bedroom. The total investment as far as the Canadian National Railways is concerned is $110,000 plus the cost of the construction of that hotel as it applies to those seventeen rooms.

The CHAIRMAN: Mr. Duff, I think they owe you a refund.

Mr. DUFF: Will you try and get it for me?

The CHAIRMAN: Well, will you give me a commission?

Rt. Hon. Mr. BENNETT: I think the hon. gentleman is wrong about the figure.

Mr. DUFF: This $400, Mr. Bennett, you pay is paid for yourself alone or for any guests you might have at any time?

Rt. Hon. Mr. BENNETT: It is paid for the flat.

Mr. DUFF: You pay for the flat?

Rt. Hon. Mr. BENNETT: For the flat.

Mr. DUFF: So that if you have two or more people occupying that flat in addition to yourself there is no additional amount over the $400 paid by you?

Rt. Hon. Mr. BENNETT: Well, I have not inquired as to that. I do not check my account with great accuracy, but judging from the size of the account probably they do make some extra charge; however, I do not know; I cannot answer that. All I know is I rent the flat.

Mr. DUFF: Now, in addition to the occupancy of the rooms, did you get any service from the hotel outside of just the occupancy of the rooms themselves —maid service and other services in connection with the hotel—for that $400?

Rt. Hon. Mr. BENNETT: The same as any other guest in the hotel, as far as I know.

Mr. DUFF: Maid service and laundry?

Rt. Hon. Mr. BENNETT: Oh, no, not laundry.

Mr. DUFF: I do not mean personal laundry, but hotel laundry which is paid for by the hotel, and maid service?

Rt. Hon. Mr. BENNETT: I assume so.

The CHAIRMAN: He did not do his own washing.

Mr. DUFF: What I am getting at is this: Mr. Bennett, in his statement said—or I understood him to say—that the six per cent investment on $80,000 would be $4,800, which he is paying.

Rt. Hon. Mr. BENNETT: Once more, Mr. Duff, you must not say that. I say that I originally indicated, and my cable says that I was willing to pay interest at 6 per cent, and the sum mentioned at the utmost was the $50,000. I state, as a matter of fact, that $4,800 is 6 per cent on $80,000. I do not say that that is the basis on which it was fixed. I explained that the management told me what the rate was, and that is what I paid.

Mr. DUFF: Basing the rental on an $80,000 investment at 6 per cent there must be deducted from that $400, in as far as net income to the railways is concerned the expenditures which the railways are subject to with regard to maid service and other services—there must be deducted from the $400 per month something for those services.

Rt. Hon. Mr. BENNETT: I have nothing to do with the business of the hotel.

Mr. DUFF: I know. I cannot blame you if you got it for $200.

Rt. Hon. Mr. BENNETT: What I am not going to do is get into an argument about anything. I did not have any argument about the amounts I paid. I pay what I am asked to pay, and I trust I will be long able to do so; otherwise I will not incur obligations which I cannot meet.

The CHAIRMAN: Are there any other questions? If not we will close this inquiry.

Rt. Hon. Mr. BENNETT: Now, Mr. Duff, one word about the car. I desire to make that perfectly clear. The memorandum from the president reads as follows:—

> As far as car is concerned we are badly in need of additional car for ourselves. I propose taking over the Prime Minister's car for this purpose and constructing in its place a suitable one for him.

That is the statement, and I desire to make it clear as far as I am concerned that that is all that was done. If it is the recommendation of the committee that the Prime Minister of this country should not have a car I certainly will not make any complaint.

Mr. DUFF: I do not want to go into the car question much further, except that I would like to know the actual cost of this car, because there has been a good deal of comment in the country about it. Since you have brought it up, do you think, under the present financial condition of the Canadian National Railways, that it was necessary for the railway to take this other car for business purposes and build a new car for you as Prime Minister when there was a suitable car formerly used by the previous Prime Minister?

Rt. Hon. Mr. BENNETT: You still have the wrong view, the wrong angle. I am not unmindful of the fact, Mr. Duff, that in some remote school districts an effort will be made along the lines you mention; but in September, 1930, before I left for England, the only discussion was that the Canadian National urgently required another car. I believed that to be true as I still believe it, because later the memorandum of the president was, "As far as the car is concerned, we are badly in need of an additional car for ourselves. I propose taking over the Prime Minister's car for this purpose and constructing in its place a suitable one for him." As a matter of fact, following Sir George Perley's cable I said, don't do even that so far as we are concerned, but they had started building their own car and they turned that over to me and took the other. That is the position. The railway company wished a car which, I think, was in process of construction at the time Sir Henry spoke to me. My understanding was that they were constructing another car for themselves, which they needed, and since they needed the car, they said, "you can have it if you prefer it; we will fix it up the way you want it, and we will take this one." Originally, I am satisfied the one they took cost more to make than the one I got. If you desire to see the car it is down there. I shall make arrangements. Anybody can go and see it. It may be that someone would like to see this suite of rooms.

Mr. DUFF: You might stage a party for us and we will go down.

Mr. GRAY: I would like to ask Sir Henry Thornton a question, and I think the committee should have an answer. Perhaps he cannot give the answer at the moment. Sir Henry, I would like to have the returns of the rents of those seventeen rooms for the twelve months prior to the alterations being commenced?

Rt. Hon. Mr. BENNETT: I think that has been done. I asked to have it done. I asked Mr. Van Wyck if he could ascertain what had been the revenues, and he told me that on the closest estimate he had been able to make up to that time—it takes a lot of effort to go over the large number of rooms in hotels—the total rental of the rooms if they were full every day would be $63.50 a day.

Mr. GRAY: At what rate?

Rt. Hon. Mr. BENNETT: At the current rates. Whatever they were, I do not know. I did not ask him that. He also said that they had not all been used except when there was a convention, and the place was full. He said, as far as he could ascertain—because the whispering that has been going on about this matter naturally came to my attention to some extent, and that is the reason why I am here—he said his closest investigation showed that the average occupancy of the fifteen rooms was one day per week per annum; that is, fifty-two days was the percentage of occupancy of those rooms during the year. That is the figure he gave. But he said it would take a very long time to work out details, as I can readily understand.

The CHAIRMAN: I think it is in order to have a statement from the management on this matter, in addition to Sir Henry Thornton's letter.

Hon. Mr. CHAPLIN: I think a statement from the management is very desirable. This is another illustration of the extraordinary foolishness of the expenditures in the hotel and other management in this country.

Sir HENRY THORNTON: Mr. Chairman, the Rt. Hon. Prime Minister has given you a statement of the circumstances leading up to the preparation of this suite and his occupancy. So far as my own information goes—and I believe it

to be both complete and accurate—that statement is correct. Some question has been raised with respect to the accuracy of the figures relating to the cost of the suite, and I will take immediate steps to have that checked down to the utmost detail. I might say, as far as this whole transaction is concerned, the Canadian National Railways and its officers regarded it as a business proposition and from no other point of view. The desirability of retaining so important a client in the hotel as the Prime Minister of Canada, of course, is obvious to everyone. I think the matter first came to my attention when Mr. Van Wyck mentioned to me that he understood that the Prime Minister was looking for a house and regretted that we were going to lose him. With that regret I agreed, and I said it would be an unfortunate thing for the hotel if the Prime Minister went elsewhere; whereupon, as the Prime Minister himself has outlined, I discussed the matter with him and out of that there grew the preparation of this suite. Another factor in the transaction was that while we had a certain number of suites consisting of bedroom, sitting room and bathroom, and in some cases a dining room, still we had nothing which corresponded to what is generally called in this country a vice-regal suite; in other words, there was no commodious suite which would house an important guest from abroad such as, let me say, the Prime Minister of England or the Prince of Wales, if you like, or the Duke of York, or anyone of that importance who might come to this country. Consequently, the introduction into the hotel of a suite of that character for that purpose, quite apart from the Prime Minister himself, was a desirable thing to have. Now, all of those circumstances led, as the Prime Minister himself has pointed out, to the preparation of that suite. There is an item of some $20,000 for furnishings in the suite which the hotel department never regarded as specifically assigned to that suite. In other words, those were furnishings of different sorts which might be moved into any room or to some other hotel. It was part of the general hotel equipment and was not necessarily in perpetuity allocated to this particular suite. I said a moment ago that the railway hotel department regarded this purely as a business proposition, and I have said in that previous letter that I assume, and the hotel department assumes, entire responsibility for the sagacity and the wisdom of that arrangement as a business proposition, and that is just as true to-day as it was a year or more ago when I think I wrote a letter to Dr. Manion and explained the position of the hotel department. It is purely a business proposition.

Hon. Mr. MANION: And you adhere to the statement in that letter?

Sir HENRY THORNTON: Certainly. We would not have gone into it in the first place if we did not think it to be a sound business proposition.

Hon. Mr. MANION: May I ask you two questions to clear up this matter. Would you consider as one having had a lot to do with hotels that the value of a guest to the hotel does not only depend upon what he pays for his rooms but on his total payments to the hotel for all lines of service?

Sir HENRY THORNTON: That is my opinion, and it is borne out by this fact that in some hotels in which I have been a guest they make you a charge for the rooms, making a certain charge providing you take your meals in the hotel, and if you take your meals elsewhere and only occupy the rooms the charge for the rooms is greater; and I have been in hotels where I have perhaps taken more meals out of the hotel than the hotel management thought was fair, and they have never failed to call my attention to it. Now, in this particular instance, the total amount which the Prime Minister spent in the Chateau Laurier for the year 1931 was in round figures $20,000. This year it seems to be running a little more than that. As a business proposition we regard a guest—and I think this is true of any hotel—whose presence in the hotel resulted in a revenue of $20,000 a year or thereabout as a valuable guest.

Hon. Mr. MANION: That would be only horse sense.

Sir HENRY THORNTON: Now, I want it to be quite clear, as far as the hotel is concerned, that this is entirely a business proposition with us; nothing else was involved in it whatsoever.

Hon. Mr. MANION: I would like to ask you this question: Mr. Van Wyck, you say, thought this matter over, and Mr. Van Wyck was entirely in accord, and I would ask you whether he is not considered by the Canadian National Railways as the very best or certainly one of the very best hotel men?

Sir HENRY THORNTON: I regard Mr. Van Wyck as a very competent, experienced hotel manager. Now, I do not know that I can add very much to it except simply what I have said.

Mr. POWER: The fact remains, Sir Henry, that seventeen rooms have been wiped out of the revenue producing items of the Canadian National Railways; am I right?

Sir HENRY THORNTON: I think it is fifteen.

Mr. POWER: Fifteen rooms have been wiped out, and you are getting nothing in return.

The CHAIRMAN: They have not been wiped out; they are getting $4,800 a year for them.

Mr. POWER: I would suggest that the $4,800 would represent only a portion of the interest on the alterations, and there is nothing being paid in the way of rental for the other fifteen rooms. Of course, it is a matter of opinion.

The CHAIRMAN: That is just the way it strikes you at the moment.

Rt. Hon. Mr. BENNETT: I think it is only fair to say that I observe from looking at my papers that as long ago as October, 1930, the opinion now expressed by Sir Henry Thornton is borne out in these words:—

> In conversation with Schofield our architect whom I happened to meet here to-day he informs me extent of alterations at Chateau fully explained to Prime Minister and accommodation to be provided represents his wishes. He was not informed of exact cost as we did not know ourselves what was involved and hardly do yet but he must certainly have had as much conception in his mind of cost as we ourselves because he was familiar with extent of alterations and said that while job should be done in good taste he did not want unnecessary money expended on it. As a matter of fact while we have not completed our estimates $50,000 would be the very outside figure and Schofield thinks thirty-five thousand or forty thousand dollars a nearer estimate.

Mr. POWER: Sir Henry, in your letter to Mr. Manion which was read here the other day dated January 2nd, 1931, you said:—

> I cannot see that anyone can criticize the railway company for providing suitable apartments for the Prime Minister of the country providing he pays a proper rate for the use of that accommodation.

Do you still abide by that?

Sir HENRY THORNTON: Absolutely.

Mr. POWER: Do you think $400 is a proper figure?

Sir HENRY THORNTON: Having regard for all the circumstances that was what was fixed by the hotel department.

The CHAIRMAN: Are there any other questions?

Mr. DUFF: Sir Henry, in regard to the guests paying money to the hotel outside of what they pay for the occupancy of their rooms, can you give us any idea how much money on an average would be spent by seventeen guests occupying seventeen rooms in a month?

Sir HENRY THORNTON: I am afraid I am not much more of a hotel man than any of the rest of us. I suppose a note of that question can be taken and we will try to get the figures. Probably an estimate can be made. I do not think I could tell you offhand.

Mr. DUFF: Of course not. I suggest to you, Sir Henry, that if seventeen guests occupied those rooms in addition to the three or four dollars a day which they would pay for those seventeen rooms they would be likely to spend a considerable sum of money outside of that amount?

Sir HENRY THORNTON: I suppose it would depend on whether they were Scotch and took their meals in the cafeteria or whether they took them in the restaurant.

The CHAIRMAN: That is hard on the Scotch.

Mr. DUFF: I am not Scotch. The fact remains that ordinarily guests staying in a hotel spend sums of money in addition to what they pay for their rooms.

Sir HENRY THORNTON: That, necessarily, is always a factor, and is considered by any hotel.

Mr. DUFF: And is it not also true that people who do not occupy rooms come to your hotel—the Chateau or other hotels—spend large sums of money for entertainment when they have large parties and so on?

Sir HENRY THORNTON: That is true. That applies to individuals, to organizations and to those who use the hotel facilities.

Mr. DUFF: Is not that a fact with regard to this present situation? That of some of those amounts which Mr. Bennett has spent in the hotel, a large proportion of those amounts are for the entertainment of his guests when he has them there and for which the hotel gives full value?

Sir HENRY THORNTON: A considerable proportion of that is true.

Rt. Hon. Mr. BENNETT: Is there anything more you want from me?

The CHAIRMAN: I do not think so, sir.

Mr. DUFF: Before the enquiry closes, may I ask Dr. Manion this. Dr. Manion read a letter the other day from Sir Henry Thornton in regard to this matter, and may I now ask if he sent a reply to that letter?

Hon. Mr. MANION: I don't think I ever did.

Mr. DUFF: Did you discuss it with Sir Henry after you received it?

Hon. Mr. MANION: Never that I remember of, no.

Mr. DUFF: Did you ever agree to the contents of the letter?

Hon. Mr. MANION: I never saw the letter until I got it from Sir Henry. What happened was Sir Henry came into my room or into my office, and we discussed the matter, and I said I heard there was some criticism of it, or something to this effect. He took full responsibility as he does now in the matter, and did it very heatedly, as I remember. He took full responsibility for the hotel changes, and he said he would write me a letter taking that full responsibility, and he wrote the letter accordingly.

Mr. DUFF: I think, Mr. Chairman, Sir Henry has broad shoulders, but what I am trying to get at is, did the Minister, either verbally or any other way, approve of the contents of the letter?

Hon. Mr. MANION: I never saw that letter until it was sent to me by Sir Henry and received by me, and so far as I know, we never had any discussion about it in any shape or form before or after except what I have just told you.

Mr. DUFF: You did not approve of it?

Hon. Mr. MANION: I had nothing to do with the letter; it was Sir Henry's letter, and I do not approve of Sir Henry's letters.

Mr. DUFF: The letter was addressed to the Minister. Did you approve or disapprove?

Hon. Mr. MANION: No; I got the letter just for the purpose that has arisen this morning, just because Sir Henry took full responsibility for it as the president and chairman of the Canadian National Railways. He took full responsibility as I thought he should, and I got it just for that occasion, if it came up; that is all.

Mr. DUFF: I do not object to that, Mr. Chairman, at all, the taking of full responsibility by Sir Henry Thornton. What I am trying to get at is whether the Minister, who really is Sir Henry's superior in this matter, and in matters regarding the railways, after he received the letter from Sir Henry, did he approve of the transaction or did he disapprove of it?

Hon. Mr. MANION: I had nothing whatever to do with the transaction, and I did not have to approve or disapprove. Sir Henry Thornton and the management of the railways could tear the hotel to pieces without having any consideration from me, so far as alterations are concerned. There was no approval that I know of being given at all, no discussion at all, either for or against it, until the matter was well in hand.

Mr. GRAY: Dr. Manion, if I understand you correctly you told Mr. Duff that you did not discuss this matter with Sir Henry before this letter was written.

Hon. Mr. MANION: I said a minute ago I did discuss it. I said I thought there was some criticism; I asked Sir Henry about it in my office. He took full responsibility verbally and I said, "You had better put it in writing," or something to that effect.

Mr. GRAY: I am speaking of the alterations. You did discuss that?

Hon. Mr. MANION: It never came up with me at all; the management of the hotel arranged that.

Mr. GRAY: It is reported on page 254 of the report that the following took place:—

> May I preface this letter by saying that there has been a discussion between Sir Henry and myself about the alterations in the Chateau Laurier—

Hon. Mr. MANION: On that occasion that I have spoken of.

Mr. GRAY: No; let me go on.

> —because we were tying up practically all capital expenditures that we could tie up, and Sir Henry wrote this letter.

Hon. Mr. MANION: Yes.

Mr. GRAY: You did discuss the question?

Hon. Mr. MANION: I discussed—

Mr. GRAY: Because you knew some of this was capital expenditure.

Hon. Mr. MANION: So far as my memory serves me, I discussed this with Sir Henry only on the occasion which I have mentioned to Mr. Duff. I asked him about it in a general way. I do not remember the verbiage of the conversation, but I discussed it in a general way, and Sir Henry Thornton right at that time took full responsibility, and said he would send me a letter to that effect.

Mr. GRAY: You thought at that time it was capital expenditure?

Hon. Mr. MANION: I presume part of it would be capital expenditure.

Mr. GRAY: Let me ask you this: was any order in council passed with respect to this capital expenditure?

Hon. Mr. MANION: I do not think there ever was any order in council passed at all. That is, not that I know of. I do not remember any order in council.

Mr. GRAY: Should there not be, Mr. Chairman?

Hon. Mr. MANION: I cannot answer that offhand. Apparently if there should be, then I think the management would have brought it to me, because I pass very many orders in council for them.

Mr. GRAY: I am asking for a matter of information. My impression is that capital expenditures require an order in council.

Hon. Mr. MANION: No, they do not require an order in council. I do not think they require an order in council in any shape or form once the budget is passed for the railway. Once the budget is passed for the railway, the railway has the spending of the money. If they change or switch the money, then there has to be an order in council. Once the budget is passed, as far as spending the money is concerned, they are in complete control, I have nothing whatever to do with it.

Mr. GRAY: Was this passed in any budget?

Hon. Mr. MANION: I do not remember, but there were alterations being made in the hotel about that time. The hotel had a new wing put on amounting to three or four million dollars, I think, perhaps more.

Mr. GRAY: I suggest to the Minister that that was all completed at that time.

Hon. Mr. MANION: Possibly.

Mr. GRAY: Should it not require an order in council?

The CHAIRMAN: That is a matter of legal opinion.

Hon. Mr. MANION: I am convinced it did not require an order in council, or the management would have brought me an order in council to sign.

Rt. Hon. Mr. BENNETT: I think this memorandum from Sir Henry Thornton would clear that up:—

> There is sufficient money available to do what is proposed, and I can repeat that I am personally prepared to assume entire responsibility for what is done on the ground that it is a sound business proposition.

This is a memorandum not to me, but it was communicated to me while I was in London, and the President himself in September said it would not exceed $50,000.

The CHAIRMAN: There are questions Mr. Duff asked about Mr. Bennett's car and questions Dr. Manion asked about Mr. Mackenzie King's car. Let us get them on the record.

Sir HENRY THORNTON: Mr. Duff asked this question:—

> What was the total cost of the new car the Prime Minister now is using, including the cost of the trucks and body of the car which, I understand, was in the shops of the Canadian National Railways at Point St. Charles when the car was built, the total cost of everything, including the amount which was spent by United States decorators who came over to fix this car; and I would like also to know what became of the old car, No. 100, and how much money was spent on it after it was turned over to the Canadian National Railway officials as a business car?

The answer is:—

> (*a*) The Prime Minister's car, No. 100, was previously coach 5043.
>
> (*b*) The book value of coach 5043 was $34,917—the salvage at time of conversion was $25,000—the cost of conversion was $50,554—the total of conversion cost and salvage is $75,554.
>
> (*c*) No amount was spent for United States decorators in connection with this conversion.

(*d*) Upon the delivery of remodelled coach 5043, renumbered 100, the car then in use by the Prime Minister, the old York, itself renumbered 100, was released and renumbered 102.

(*e*) No money has been spent on this car since its release.

Dr. Manion asked this question:

How much did the first car that Mr. Mackenzie King had cost, and when he was not satisfied with that car, you might get the cost of what the second car he had cost?

The answer is:

(*a*) In 1927 the Prime Minister's car, No. 100, was remodelled at a total cost of $44,963.

(*b*) In 1929 the "York" was remodelled at an expense of $56,110.54, and was renumbered 100 and assigned to the Prime Minister, old 100 being released and renumbered 92.

Hon. Mr. MANION: So there were two changes made by Mr. King in regard to private cars, one in 1927 and the other in 1929.

The CHAIRMAN: At a cost of $101,000.

Sir HENRY THORNTON: I may say this, Mr. Chairman, in regard to that: it always seemed to me that the Prime Minister of the country, irrespective of which political party he held his faith, was entitled to a suitable vehicle to travel about the country. Our distances in this country are long; sometimes the train services are not particularly convenient, and in the transaction of official duties, it is necessary for the Prime Minister, irrespective of party, to travel through the country, and under those circumstances, I have always felt that whoever he might be, he should have suitable and comfortable travelling accommodations. Now, it was that underlying principle which led to the conversion and alteration of those various cars for both the present and previous Prime Minister, to which reference has been made.

Mr. DUFF: Is it a fact that the car which you termed the old "York," was a wooden car?

Sir HENRY THORNTON: That was originally a wooden underframed car. I would call it that, and that was subsequently turned into a steel underframed car.

Mr. FAIRWEATHER: The "York" was originally one of the individual cars assigned to the Governor General, and it was, I understand, a wooden-framed car, and afterwards changed into a steel under-framed.

Mr. DUFF: Do you suggest that the previous Prime Minister, in view of the fact that it was a wooden car, and had to be changed to a steel car or a new car——

Sir HENRY THORNTON: Well, it would have to be altered to a steel underframed car, otherwise it would be unsafe for operating purposes. As a matter of fact, two old cars which were used by the then Governor General were becoming old, and there was a very distinct element of danger in using those. In fact, the operating officers and myself never felt quite comfortable when these two cars were on the road.

Mr. DUFF: Was it your suggestion in view of that fact that that car should be changed?

Sir HENRY THORNTON: Yes.

Mr. DUFF: You took full responsibility?

Sir HENRY THORNTON: Yes.

Mr. DUFF: Any changes that were made with regard either to the old "York" afterwards known as the old "100," you take full responsibility for?

Sir HENRY THORNTON: Yes, certainly. The railway and myself assume responsibility for whatever our acts may have been.

Mr. DUFF: That second car cost a good deal of money to put in shape; did you consider that car fit for anybody to travel in?

Sir HENRY THORNTON: I beg your pardon?

Hon. Mr. MANION: It had been used for some years.

Mr. DUFF: I am asking about the condition of the car in 1930.

Sir HENRY THORNTON: It was in perfectly good condition, but as I recall the circumstances, the arrangements were unsuited to the Prime Minister, and as has been explained, we were badly in need of an additional car—we had one or two cars which some of our officers were using that in themselves had become unsafe.

Mr. DUFF: What was the arrangement that was not satisfactory to the Prime Minister?

Sir HENRY THORNTON: As I recall it, the kitchen was in the middle of the car, and it was open-ended at each end. The modern practice almost everywhere is to have the kitchen in one end. Now, if it had not been for the fact as has been stated, we required an additional car, that proposition would never have been made. But the proposition was made, was simply exchanging cars with a view to giving the railway a suitable car for its purpose, and the Minister a car which suited him, and when I say the Prime Minister, I am not speaking of Mr. Bennett or Mr. King or anybody else, it was simply the Prime Minister.

Mr. DUFF: Why did you need an extra car when there were three cars on the road?

Sir HENRY THORNTON: Well, as I recall it—

Mr. DUFF: Especially, in view of the financial condition of your road?

Sir HENRY THORNTON: This was in 1929.

Mr. DUFF: But there was quite an expense in having a new car.

Sir HENRY THORNTON: Two or three of those railroad cars had become unsafe, and I did not think it fair nor a desirable thing to entrust the lives of officers and those who may be travelling on that equipment which is unsafe, because a serious accident might occur. After all, the lives of the individuals and officers are important.

Mr. DUFF: Quite right.

The CHAIRMAN: Now gentlemen, are there any other questions or shall we definitely close this phase of the enquiry?

Closed.

Sir HENRY THORNTON: This is a statement in reply to a question asked by Dr. Manion:

> Attached exhibit submitted pursuant to suggestion made by the Minister of Railways and Canals, Hon. Dr. Manion, in consequence of questions asked by Hon. Mr. Euler and Col. Cantley, on May 12. Rates shown as in effect between points in the Maritime Provinces are, in every case, the actual rates and reflect the reduction made of 20 per cent as ordered under the Maritime Freight Rates Act.

Now, there follows a long statement of the various rates and different classes. I take it you do not want me to read this.

The CHAIRMAN: Gentlemen, shall this go into the minutes? We shall put them in the minutes. (Printed as Appendix A to evidence taken this day.)

Sir HENRY THORNTON: I have here a question asked by Hon. Mr. Chaplin, as follows:

> For 1930 and 1931, the names of tie contractors and addresses.
>
> Lists attached showing names of all tie contractors and their addresses, covering purchase of ties for delivery in the years 1930 and 1931, by provinces.

That too, has a long list.

The CHAIRMAN: Shall it go into the minutes?

Hon. Mr. MANION: Do you want it in the minutes?

Mr. POWER: Yes.

(Printed as Appendix B and Appendix C to evidence taken this day.)

The CHAIRMAN: Mr. Power is especially interested in that. That ends all the enquiries that are ready for delivery.

Mr. DUFF: Just before you go on, shall we have a memorandum of the different tie contractors from 1920 to 1930?

The CHAIRMAN: Let us have them next year.

Mr. DUFF: All right, that will suit me.

The CHAIRMAN: Gentlemen, I suggest that if you have all read the annual report, the analysis of the 1931 operations compared with the 1930 operations, and the estimated financial requirements for 1932, that we pass this and close the public enquiry. Is that the wish of the committee?

Mr. DUFF: I move it be adopted.

The CHAIRMAN: Mr. Duff moves that the various reports that have been before the committee be now passed. Are you ready for the question?

Carried.

The CHAIRMAN: That, I think, concludes the public hearings of this committee. I suggest we meet on Tuesday to consider the evidence that has been adduced. The statements that are ready will then be handed in. Is that agreeable to this committee?

Hon. Mr. EULER: What statements are there to be handed in?

The CHAIRMAN: A number of miscellaneous ones. There is a question with regard to the passenger officers, and off-line passenger offices in the United States.

Hon. Mr. EULER: What else?

Hon. Mr. CHAPLIN: I asked a question in reference to the New York office.

Sir HENRY THORNTON: That is in course of preparation, Mr. Chaplin.

The CHAIRMAN: There is the question of expenditures for radio broadcasting for the year 1930, I think asked for by Dr. McGibbon which will take, I am told, a week at least. It is a very voluminous thing, full of detail, and, therefore, takes a long time to prepare. I have not in mind what the others are, but I know there are still a number, about half a dozen I am told and they will be handed into the Chairman as and when completed.

Hon. Mr. EULER: Mr. Chairman, I just want to make one comment as it touches upon what I have said repeatedly in this committee, and upon which possibly some misinterpretation or misconception may be had by inferences perhaps drawn from press reports. I am referring to the report that is to be handed in by the two gentlemen who were appointed a sub-committee in connection with the expense accounts. I take it from what you have said, and I would like to know, that these reports are going to be submitted to this committee in camera, of which I approve. Am I right in that?

The CHAIRMAN: Well, I can only give you my own idea. My idea is that the report of the sub-committee, together with the information which was handed in here yesterday—I need not particularize what it is, it is well known to the members of the committee—would be considered by this committee in camera.

Hon. Mr. EULER: That is what I wanted to know.

The CHAIRMAN: Then it will be entirely at the disposal of the committee as to what shall be done with it.

Mr. MCGIBBON: Mr. Chairman, I have repeatedly said here before that I did not consider that confidential.

The CHAIRMAN: I have not said it was confidential, but the consideration in the first instance, I think—and I am in the judgment of the committee—should be with the committee, and that the committee and the committee alone will say whether they will be given out to the public or not; but that does not bind Dr. McGibbon as far as I am concerned, and I am not undertaking to bind him. He is the arbiter of his own actions just the same as anybody else in this committee. The expense accounts are here for any member of the committee, and the matter is in the hands of the committee as a committee and as a body, and I am not undertaking or intimating what, in my opinion, the action should be. That is entirely for the committee.

Hon. Mr. EULER: I have nothing to say with regard to the action of Dr. McGibbon. He is responsible to himself as a member of the House and I have no criticism to make of that whatsoever, but I have always taken exception to the inadvisability of certain statements being broadcast which I always contended were not in the interest of the Canadian National Railways, in which opinion I was borne out by yourself, by the Chairman of the Executive Committee of the Canadian National Railways, of the Board of the Canadian National Railways, Mr. Boys, and I just want to manifest my satisfaction that the committee has practically come around to my point of view, although I am afraid that as the information went out some of us—I will say on this side—were perhaps placed under suspicion, if you like, by the public, that we were trying to hide some things, evidence of wrong-doing. I want to dissociate myself from that entirely, and to repudiate that in any way. We are not in any way desirous of hiding from the public any wrong-doing, if any wrong-doing there be, as I think there was not, not in the sense in which some people might say. Our whole object, and my whole object was to serve the interests of the National Railway, and I find yourself and the directors of the road in accord with the position I always took.

Hon. Mr. CHAPLIN: I am in support of the Chairman in the decision that he himself has come to, but I cannot quite understand Mr. Euler's statement. If he casts back his mind to last session, last year, I think he will find that he is not the only one that would want to discuss the matter in private. On more than one occasion in this committee, when I was chairman, I turned everybody out of the room. I took that responsibility myself without putting it before the committee. I believe it is in the interest of the railways, and the interest of the railway company that all of this small stuff should not be made public; that is my position about that.

Hon. Mr. EULER: That is the thing I always contended for, and if it had been understood in this committee that that was the position, that that was the opinion of the committee, we would not have had a great deal of this trouble.

The CHAIRMAN: Mr. Euler has made a statement as to his position, and I think we all agree with his statement referring to the attitude he has previously taken, but it had not been my intention to determine the question at this hearing to-day as to what disposition would be made of these reports that have now been made. I do say this, however, that I am taking the responsibility of suggest-

ing to the committee that we consider these things on Tuesday next at a private session of this committee and then dispose of them. That is my attitude; because, after all, the Chairman has not any right to arrogate to himself what action the committee may take in reference to any particular subject matter. I have my own opinion about it and I am prepared to give it to the Committee at the proper time.

Shall we adjourn until Tuesday at 11 o'clock?

Mr. MacMillan: In connection with Mr. Euler's statement that there was no good purpose to be served by making those things public, and that it was not in the interest of the railways, he said he took that position last year in reference to all those matters.

I am not referring to expense accounts at all, but when Dr. McGibbon asked certain questions in the House last year the ruling was, it was not in the best interest of the railway, and when a small sub-committee of this committee got certain information that was held under cover. Now, Mr. Euler takes the stand, or took the stand at that time, that it was not in the interests of the railway that these things should be made public. I want to ask him if these things that have been divulged here during the meetings of this committee were not in the interests of the railways or in the interests of the public. What about the New York proposition? What about Sir Henry Thornton's house and all the emoluments he has got from this country? What about the hidden resolution of the special committee wherein he got an extra $5,000 which the Board of Directors never passed? Were not all those in the interest of the public? I say, Mr. Chairman, with all due respect to Mr. Euler, and he is a very smooth gentleman—

Hon. Mr. Euler: I can say the same of you.

Mr. MacMillan: With all due respect to Mr. Euler I think this thing has been in the interests of the railway and the public. Now, so far as those expense accounts are concerned I am more or less inclined to agree with you, Mr. Chairman, and with Mr. Chaplin. We don't want to get into this small stuff.

Hon. Mr. Euler: I disagree absolutely with Mr. MacMillan, that it has been in the interest of the railway to broadcast many of the things that we are investigating here, most of which has not been proven; and I will say this, without any doubt or reservation on my part, that the things that have been said in this Committee have gone a long way to destroy the confidence that the people of Canada have in the Canadian National Railways as a publicly managed and owned institution.

The Chairman: That is your own opinion.

Hon. Mr. Euler: I will even go this far: I believe that it has gone so far as to do harm to the railways by way of them losing business. If Mr. MacMillan is right, that it has been in the interest of the railway that the public generally should have it conveyed to it suspicions and charges such as we have heard in this Committee, if that were really in the best interests of the railway I would not object, because that is what I am concerned about, the interest of the railway, and I am sincere enough—and I hope the members of the Committee believe that—when I say that I believe this, that every good that has been accomplished by reason of looking into these things could have been accomplished in other ways and would not have resulted in any loss of confidence by the people in the railways and in their management.

The Chairman: I would like to make this observation in reply to Mr. Euler: He is expressing his opinion on the various phases of the inquiry that has been made in this Committee. He has a perfect right to do so, but I would like it understood that these expressions are his and his alone. After all, in the final analysis, the functions of this Committee, the work of this Committee, is subject

to the judgment of public opinion, and on that I am prepared to stand or fall, and I think everyone of the members of this Committee is. I would like it to be understood by the public—and I think I am speaking in this for the majority of the members of this Committee—that we are not mere rubber stamps.

Hon. Mr. EULER: Someone suggested that to you.

Hon. Mr. MANION: I did.

The CHAIRMAN: That is all right.

Mr. STEWART: I wonder who suggested the questions that were asked by two of the members this morning.

The CHAIRMAN: I think that the public will say that the Committee have performed a useful public duty, and I take my position as far as my responsibility is concerned on that principle, and by that principle I will abide.

Mr. MCGIBBON: I suppose they look upon me as the trouble-maker. My stand is pretty well known. I have never been backward in expressing it; whether my views are right or wrong, they are my own, and I intend to carry them out irrespective of what some people may think or have to say.

Hon. Mr. MANION: I would just like to say that Mr. Euler has not got any monopoly on the desire for the Canadian National Railways to be a success.

Hon. Mr. EULER: Why say that?

Hon. Mr. MANION: I say that, Mr. Chairman, because half a dozen times Mr. Euler has made the statement in this room that he is just looking after the interests of the railways. So are we all. I would like to make that clear, that we all, including the Minister, have the interests of the railways at heart at this time, just as much as Mr. Euler has.

Hon. Mr. EULER: Mr. Chairman, I have only spoken for myself, and I thought I made that perfectly clear. I have always taken that position, and I resent the statement of Dr. Manion who ordinarily is a very good friend of mine.

Hon. Mr. MANION: Because I claim to be as good a friend of the Canadian National Railways as you are. You are not the only one who has the interests of the railway at heart.

Hon. Mr. EULER: I do not claim to have a monopoly on that.

The Committee adjourned to resume on Tuesday, the 17th May, 1932.

(See page 408)

APPENDIX A

COMPARISONS OF RATES

MARITIME PROVINCES—ONTARIO AND QUEBEC

Comparison of Class Rates

TOWN TARIFF BASIS

Miles		Rates in classes per 100 lbs.—Classes								
		1	2	3	4	5	6	7	8	10
10	Maritime	20	17	15	12	10	9	7	8	6
	Ontario	24	21	18	15	12	11	9	10	7½
25	Maritime	24	21	18	15	12	11	9	10	8
	Ontario	29	25	22	18	14½	12½	11½	12½	9½
50	Maritime	32	28	24	20	16	15	12	13	11
	Ontario	40	34½	30½	25	19½	18	14½	16½	12½
75	Maritime	40	35	30	25	20	19	15	16	13
	Ontario	50	45½	37½	32	25	24	19½	22	16½
100	Maritime	44	38	33	28	22	21	17	18	14
	Ontario	54	47	41½	34½	27½	25	22	22	18
125	Maritime	50	44	38	31	25	23	19	20	16
	Ontario	61½	54	47	37½	30½	27½	24	25	19½
150	Maritime	52	46	39	33	26	24	20	20	17
	Ontario	65	58	49	41½	32	29	25	27½	22
175	Maritime	54	47	41	34	27	25	21	22	18
	Ontario	68	59½	52½	43	34½	30½	27½	27½	24
200	Maritime	54	47	41	34	27	25	21	22	18
	Ontario	68	59½	52½	43	34½	30½	27½	27½	24
225	Maritime	58	51	43	36	29	27	22	23	20
	Ontario	72	63	54	45½	36½	32	29	29	25
250	Maritime	60	53	45	38	30	28	23	24	21
	Ontario	75½	66½	58	47	37½	34½	30½	30½	27½
275	Maritime	64	56	48	40	32	30	24	26	22
	Ontario	79	70½	59½	50	40	36½	30½	32	27½
300	Maritime	66	58	50	41	33	31	25	26	23
	Ontario	83	72	63	52½	41½	37½	32	34½	29
350	Maritime	70	61	52	44	35	33	26	28	24
	Ontario	86½	75½	65	54	43	40	32	34½	29
400	Maritime	76	66	57	48	38	36	29	29	26
	Ontario	94	83	70½	59½	47	43	36½	36½	32
450	Maritime	80	70	60	50	40	38	30	32	28
	Ontario	100½	88	75½	63	50	47	36½	37½	34½
500	Maritime	84	74	63	53	42	40	31	32	30
	Ontario	104	91½	79	65	52½	49	37½	40	36½
600	Maritime	88	77	66	55	44	42	33	33	31
	Ontario	112	97	84½	70½	55½	52½	40	41½	37½

Montreal, Que., May 12, 1932.

STANDARD MILEAGE SCALES

Miles	——	1	2	3	4	5	6	7	8	9	10
10	Maritimes (C-17)	20	17	15	12	10	9	7	8	8	6
	Ontario and Quebec (C-18)	24	21	18	15	12	11	9	10	10	7½
25	Maritimes	24	21	18	15	12	11	9	10	10	8
	Ontario and Quebec	29	25	22	18	14½	12½	11½	12½	12½	9½
50	Maritimes	34	30	26	21	17	16	13	14	13	11
	Ontario and Quebec	43	37½	32	27½	22	19½	16½	18	16½	12½
75	Maritimes	44	38	33	28	22	21	17	18	16	14
	Ontario and Quebec	54	47	41½	34½	27½	25	22	22	19½	18
100	Maritimes	52	46	39	33	26	24	20	22	20	17
	Ontario and Quebec	65	58	49	41½	32	29	24	25	24	19½
125	Maritimes	56	49	42	35	28	26	21	22	22	19
	Ontario and Quebec	68	59½	52½	43	34½	30½	27½	27½	27½	24
150	Maritimes	58	51	43	36	29	27	22	23	23	20
	Ontario and Quebec	72	63	54	45½	36½	32	29	29	29	25
175	Maritimes	64	56	48	40	32	30	24	26	26	22
	Ontario and Quebec	79	70½	59½	50	40	36½	30½	32	32	27½
200	Maritimes	66	58	50	41	33	31	25	27	27	23
	Ontario and Quebec	83	72	63	52½	41½	37½	32	34½	34½	29
225	Maritimes	72	63	54	45	36	34	27	29	30	25
	Ontario and Quebec	90	79	68	55½	45½	41½	34½	36½	37½	30½
250	Maritimes	76	66	57	48	38	36	29	29	32	26
	Ontario and Quebec	94	83	70½	59½	47	43	36½	36½	40	32
275	Maritimes	80	70	60	50	40	38	30	30	33	28
	Ontario and Quebec	100½	88	75½	63	50	47	36½	37½	41½	34½
300	Maritimes	84	74	63	53	42	40	31	32	34	30
	Ontario and Quebec	108	95½	81½	68	54	50	37½	40	43	36½
350	Maritimes	92	81	69	58	46	44	34	34	38	32
	Ontario and Quebec	119	104	90	74	59½	55½	41½	43	47	40
400	Maritimes	100	88	75	63	50	48	37	36	39	34
	Ontario and Quebec	125½	109½	95½	79	63	59½	43	45½	49	41½
450	Maritimes	108	95	81	68	54	51	40	39	42	37
	Ontario and Quebec	137	120½	102½	86½	68	65	47	49	52½	45½
500	Maritimes	116	101	87	72	58	55	43	42	43	39
	Ontario and Quebec	144	125½	108	90	72	68	50	52½	54	49
600	Maritimes	132	115	99	82	66	63	49	49	50	46
	Ontario and Quebec	162	142½	122	100½	81½	77½	59½	61½	63	58

(Rates are in cents per 100 lbs.)

Montreal, Que., May 12, 1932.

COMPARISON OF RATES ON AGRICULTURAL IMPLEMENTS AND PARTS, CARLOADS, BETWEEN POINTS IN THE MARITIME PROVINCES Vs. POINTS IN ONTARIO AND QUEBEC

Between points in the Maritime Provinces:
6th Class rates authorized.
Between points in Ontario and Quebec:
6th class rates authorized.
Normal Classification—5th class rates.

Montreal, Que., May 12, 1932.

COMPARISON OF RATES ON SULPHATE OF AMMONIA, CARLOADS

Between points in Maritime Provinces vs. Ontario and Quebec

From Sydney, N.S. to Maritime Province Points:
Seventh Class Rates Authorized.

From Hamilton, Ont., Montreal, Que. and Ottawa, Ont. to Ontario and Quebec Points:
Seventh Class Rates Authorized.
Normal Classification basis 5th class.

Montreal, Que., May 12th, 1932.

COMPARISON OF RATES ON BITUMINOUS COAL BETWEEN POINTS IN THE MARITIME PROVINCES VERSUS ONTARIO AND QUEBEC

(Rates in cents per ton of 2,000 lbs.)

FROM Sydney, N.S. TO	Distance	Rate	FROM Montreal, Que. TO	Distance	Rate
Boisdale, N.S.	39	90	Farnham, Que.	39	120
Iona, N.S.	57	100	Acton Vale, Que.	54	100
Tracadie, N.S.	121	130	Plessisville, Que.	122	160
Merigomish, N.S.	169	140	Rideau, Ont.	169	170
Truro, N.S.	226	150	Sidney, Ont.	227	200
Shubenacadie, N.S.	247	170	Colborne, Ont.	250	200
Halifax, N.S.	290	180	Bowmanville, Ont.	291	220
Moncton, N.B.	342	200	North Bay, Ont.	340	290
Rogersville, N.S.	400	210	Kitchener, Ont.	397	310
Matapedia, Que.	542	230	Noranda, Que.	556	340

MONTREAL, QUE., May 12th, 1932.

COMPARISON OF RATES ON FERTILIZER, CARLOADS, BETWEEN POINTS IN QUEBEC AND ONTARIO vs. MARITIME PROVINCES

(Rates in cents per 100 lbs.)

Miles	Maritime Provinces	Ontario and Quebec	Miles	Maritime Provinces	Ontario and Quebec
25	5	6	200	12½	15½
50	6	7½	300	14½	18
75	8½	10½	400	18	22½
100	9½	12	500	21	26
150	11	13½	600	23	29

MONTREAL, QUE., May 12, 1932.

COMPARISON OF RATES ON GRAIN PRODUCTS, CARLOADS—ONTARIO AND QUEBEC vs. MARITIME PROVINCES

(Rates in cents per 100 lbs.)

Miles	Ontario and Quebec	Maritime Provinces	Miles	Ontario and Quebec	Maritime Provinces
25	8	6½	200	18	14½
50	8	8	300	22	17½
75	10	8	400	25	20
100	12	9½	500	29	23
150	15½	12½			

MONTREAL, QUE., May 12, 1932.

COMPARISON OF RATES ON SAND AND GRAVEL (CARLOADS) BETWEEN POINTS IN THE MARITIME PROVINCES vs. ONTARIO AND QUEBEC

(Rates in cents per 100 lbs.)

Maritimes			Ontario and Quebec		
From Debert, N.S. To	Miles	Rate	——	Miles	Rate
Brookfield, N.S.	22	2	Durham, Ont., to Palmerston, Ont.	27	4
Enfield, N.S.	46	3	Maple, Ont., to Craigvale, Ont.	40	4¼
Halifax, N.S.	76	4	Guelph, Ont., to Dundas, Ont.	94	4½
Mulgrave, N.S.	135	5	Niagara Falls, Ont., to St. Thomas, Ont.	115	7
Liverpool, N.S.	180	6	Durham, Ont., to Thornbury, Ont.	178	6½
			Greenburn, Ont., to Brockville, Ont.	190	7
			Crookston, Ont., to Montreal, Que.	241	7¾

Montreal, Que., May 12, 1932.

COMPARISON OF RATES ON SAND AND GRAVEL, CARLOADS, BETWEEN STATIONS IN ONTARIO AND QUEBEC vs. MARITIME PROVINCES

(Rates in cents per 100 lbs.)

Miles	Maritimes	Ontario and Quebec	Miles	Maritimes	Ontario and Quebec
25	4	4¾	200	8	10¼
50	4½	5¾	300	10	12¼
75	6	7¼	400	11½	14¼
100	6½	8¼	500	13	16¼
150	7½	9¼	600	14½	18¼

Montreal, Que., May 12, 1932.

COMPARISON OF RATES ON HAY AND STRAW BETWEEN MARITIME PROVINCE POINTS vs. ONTARIO AND QUEBEC

(Rates in cents per 100 lbs.)

Miles	Between Points in Maritime Provinces Mileage Rates	Between Points on Trans-continental Division West of Fitzpatrick Mileage Rates	Specific Rates from Hervey, Que.		
			To	Miles	Rate
25	7½	9½	Windigo	98	20½
50	10	12½	Casey	148	22
75	13	18	Greening	196	24
100	14½	19½	Forget	296	28
150	17½	22	Makamik	398	34½
200	19½	24	Cochrane	495	39½
300	23	29			
400	26				
500	29				

Between other points in Ontario and Quebec tenth class rates apply.

Montreal, Que., May 12, 1932.—K.

COMPARISON OF RATES ON IRON AND STEEL, CARLOADS MARITIME PROVINCES vs. ONTARIO AND QUEBEC

(Rates in cents per 100 lbs.)

Maritime Provinces			Ontario and Quebec		
Sydney to	Miles	Specific C.I. 36	Montreal to	Miles	Specific C.I. 41
Halifax, N.S.	290	18	Newcastle, Ont.	287	34
Moncton, N.B.	542	20	Windsor, Ont.	535	35
Saint John, N.B.	432	24	St. Pauls, Ont.	428	40
Fredericton, N.B.	474	25	Thedford, Ont.	472	41½
St. Moise, Que.	612	28	Cochrane, Ont.	612	71
Edmundston, N.B.	574	25	Walkerville, Ont.	554	41½

Note.—Rates apply on miscellaneous iron and steel articles, such as Angle Iron, Bars, Bolts, Plates, etc.

Montreal, Que., May 12, 1932.

COMPARISON OF RATES ON LIVESTOCK, CARLOADS

(Rates in cents per 100 lbs.)

Miles	Between Maritime Province Points		Between Points in Ontario	
	Cattle, Hogs, or Sheep, straight or mixed carloads	Horses, Mules or Ponies, straight or mixed carloads	Cattle, Hogs or Sheep, straight or mixed carloads	Horses, Mules or Ponies, straight or mixed carloads
25	8	10	10	12½
50	10½	13	13	16½
75	12½	15½	15½	19½
100	14	19	17½	24
150	16	23	20	29
200	17½	28	22	34½
300	22	34	27½	43
400	25	38	32	47½
500	29	41	36	52
600	30	48	37	59½

Montreal, Que., May 12, 1932.

COMPARISON OF RATES ON NEWSPRINT PAPER MARITIMES vs. ONTARIO AND QUEBEC

(Rates in cents per 100 lbs.)

Maritimes			Ontario and Quebec		
	Miles	Comm. rate		Miles	Comm. rate
Bathurst, N.B., to Amherst, N.S.	238	21	Grand'Mere, Que., to Brockville, ont.	230	28
Bathurst, N.B., to Campbellton, N.B.	63	14½	*Hawkesbury, Que., to Montreal, Que.	62	17½
Bathurst, N.B., to Middleton, N.S.	441	30	Crabtree, Que., to Kitchener, Ont.	437	37½
Bathurst, N.B., to Yarmouth, N.S.	554	32	Crabtree, Que., to Chatham, Ont.	550	43
Bathurst, N.B., to Newcastle, N.B.	44	11½	Crabtree, Que., to Montreal, Que.	45	13

*No Newsprint mill at Hawkesbury.

COMPARISON OF RATES—MARITIME PROVINCES vs. ONTARIO AND QUEBEC PETROLEUM AND PETROLEUM PRODUCTS

(Rates in cents per 100 lbs.)

From Imperoyal, N.S.			From Sarnia, Ont.		
To	Miles	Rate	To	Miles	Rate
Musquodoboit, N.S.	34	16	Thedford, Ont.	33	18
Bridgewater, N.S.	106	18½	Kitchener, Ont.	106	25
Liverpool, N.S.	148	19½	Brampton, Ont.	147	29
Point du Chene, N.B.	177	24½	Scarboro, Ont.	179	32
Plaster Rock, N.B.	308	36	Napanee, Ont.	305	40

MONTREAL, QUE., May 12, 1932. K.

RATES ON POTATOES, CARLOADS

(Rates in cents per 100 lbs.)

—	Maritime Territory	Ontario and Quebec	—	Maritime Territory	Ontario and Quebec
25 Miles	7½	9½	200 Miles	18½	23
50 "	10	12½	300 "	25	31½
75 "	12½	15½	400 "	28	35½
100 "	13½	17	500 "	32	40½
150 "	17	21	600 "	39	49

MONTREAL, QUE., May 12, 1932.—K.

COMPARISON OF RATES IN MARITIME PROVINCES vs. ONTARIO AND QUEBEC PULPWOOD, CARLOADS, FOR MANUFACTURING AND RESHIPMENT

(Rates in cents per 100 lbs.)

Miles	From Points in Maritime Provinces	From Points in Ontario and Quebec	Miles	From Points in Maritime Provinces	From Points in Ontario and Quebec
25	4½	5½	200	9	11½
50	5	6	300	11	14
75	6	7½	400	13	16
100	6½	8	500	14½	18
150	7½	9½	600	16	20

MONTREAL, QUE., May 12, 1932.

SALT, CARLOADS

(Rates in cents per 100 lbs.)

MARITIME TERRITORY				ONTARIO AND QUEBEC			
From	To	Miles	Rate Coarse Salt	From	To	Miles	Rate Refined Salt
Malagash, N.S.	Halifax, N.S.	139	10	Goderich, Ont.	Welland Jct., Ont.	140	19½
	Yarmouth, N.S.	380	14		Killaloe, Ont.	381	32
	New Carlisle, Que.	404	23		Caldwell, Ont.	405	34½

MONTREAL, QUE., May 12, 1932. K.

COMPARISON OF RATES ON SULPHUR, CRUDE, CARLOADS

Minimum 60,000 lbs.

(Rates are in cents per 100 lbs.)

Between Points in Maritime Provinces				Between Points in Ontario and Quebec			
From	To	Miles	Rate	From	To	Miles	Rate
Campbellton, N.B.	Chatham, N.B....	120	11	Quebec, Que.	Windsor Mills, Que.	115	14
	Edmundston, N.B.	135	12		LaTuque, Que.....	129	14
Saint John, N.B.	Chatham, N.B....	174	19		Desbiens, Que.....	182	18
Chatham, N.B.	Edmundston, N.B.	219	16½		Jonquiere, Que.....	218	20½
					Cardinal, Ont.....	272	24½
Halifax, N.S.	Chatham, N.B....	273	20½		Trenton, Ont.....	401	27½
	Matapedia, Que....	389	23		Brighton, Ont.....	409	28
Saint John, N.B.	Sydney, N.S.....	432	27				

Tariff Authorities

Maritimes: Items 1340 and 1356-A, C.N. Rys. C.M. 173; C.R.C. No. E-1235.
Ontario and Quebec. Items 2085 and 2086, C.N. Rys., C.M. 130, C.R.C. No. E-1721.

Montreal, Que., May 12, 1932.

COMPARISON OF RATES ON WOODPULP, CARLOADS, BETWEEN POINTS IN ONTARIO AND QUEBEC vs. MARITIME PROVINCES

(Rates in cents per 100 lbs.)

Maritimes			Ontario and Quebec		
—	Miles	Comm. Rate	—	Miles	Comm. Rate
Bathurst to Edmundston, N.B....	190	13	Campbellford to Cornwall, Ont..	184	15½
Campbelltpn to Edmundston, N.B	135	11	Bromptonville to Joliette, Que...	138	17½
Old Lake Road, Que., to Bathurst, N.B.....	258	14½	Campbellford, Ont., to Montreal, Que.....	251	19½

Montreal, Que., May 12, 1932.

COMPARISON OF MILEAGE COMMODITY RATES, MARITIME PROVINCES vs. QUEBEC AND ONTARIO

(Rates in cents per 100 lbs.)

—	Cooperage and Cheese-box Stock		Ice		Paper, Scrap or Waste	
	Maritime Provinces	Quebec and Ontario	Maritime Provinces	Quebec and Ontario	Maritime Provinces	Quebec and Ontario
Miles						
25	7	9	3½	4½	6½	8
50	8½	10½	4	5	8	10
75	11	14	5½	7	10	12½
100	12½	15½	6½	8	11½	14½
150	13½	17	8	10	13	16½
200	14½	18	9½	12	14½	18
300	18½	23	12½	15½	18	22½
400	21	26½			22	27½
500	24½	30½			26	32
600	27	34			28	35

Montreal, Que., May 12, 1932.

COMPARISON OF RATES ON LUMBER, CARLOADS, MARITIME PROVINCES vs. ONTARIO AND QUEBEC

(Rates in cents per 100 lbs.)

Maritime Provinces			Ontario and Quebec		
—	Miles	Rate	—	Miles	Rate
Halifax to			Sarnia to		
Kinsac, N.S.	21	7	Forest, Ont.	25	9
McKay, N.S.	50	7½	Ailsa Craig, Ont.	50	10½
Belmont, N.S.	72	9½	Granton, Ont.	63	11
Westchester, N.S.	98	11	Baden, Ont.	98	13½
Aulac, N.B.	150	11½	Kitchener, Ont.	108	14
Berry Mills, N.B.	198	13	Waterloo, Ont.	110	14
Red Pine, N.B.	300	15½	Brampton, Ont.	149	14½
Mill Stream, N.B.	399	16½	Owen Sound, Ont.	190	16½
Rimouski, Que.	500	18	Marysville, Ont.	297	19½
Riviere Ouelle, Que.	600	19	Cardinal, Ont.	400	20½
			Dominion, Que.	498	23
			Bromptonville, Que.	595	24

While Halifax is not a lumber shipping point, the rates reflect general basis.

Montreal, Que., May 12, 1932.

(See page 408)

APPENDIX B

CANADIAN NATIONAL RAILWAYS

STATEMENT BY PROVINCES IN ALPHABETICAL ORDER SHOWING NAMES AND POST OFFICE ADDRESSES OF ALL FIRMS AND INDIVIDUALS WITH WHOM CONTRACTS WERE PLACED FOR TIES FOR DELIVERY IN YEAR 1930

PRINCE EDWARD ISLAND

Hancock, Chas., Melville.
McPherson, D. J., Eldon, Belfast.

NOVA SCOTIA

Allen & Miner, Ltd., Amherst.
Aulenbach, C. G., Blockhouse.
Bannerman & Robertson, New Glasgow.
Baxter, R. M., Oxford Junction.
Bent, C. M., Bridgewater.
Bragg & Sons, C., Collingwood Corner.
Canadian Lumber Company, Ltd., Stewiacke.
Chambers, F. H., New Glasgow.
Cox, J. J., Shelburne.
Dunfield Lumber Company, Ltd., Halifax.
Eastern Exporters Ltd., New Glasgow.
Eden Lumber Company, Garden of Eden.
Fullerton & Sons, Ltd., Pictou.
Fulmer, B. B., Shubenacadie.
Gillis, N. L., Gillis Cove.
Glennie, T. C., Oxford.
Goding & Starratt, Liverpool.
Grant, J. A., James River.
King Brothers, Oxford.
Kennedy, D. H., Estmere.
Kennedy, C., River Deny's.
Langille, D., Blockhouse.
Logan & MacLeod, Trenton.
Lunenburg Milling Company, Bridgewater.
Martin, R. N., Alba.
MacDonald, A. L., Meadowville.
MacGregor Lumber Company, Ltd., New Glasgow.
MacMillan, A. S., Halifax.
McCaskill, D. D., Littlenarrows.
McDonald, D. A., Orangedale.
McElmon, A. E., Oxford.
McElmon, M., Oxford.
McKay, R. A., Pictou County.
McKenzie, D., New Glasgow.
McKeen, D. K., Halifax.
McLelan, T. W., Oxford.
McLellan Brothers, Sutherlands River.
McLeod, H., West Bay Road.
Penny & Irving, Caledonia.
Read Limited, C. H., Amherst.
Reid & Sons, A. J., Shubenacadie.
Smith, A. B., Springhill.
Smith Limited, D. M., Truro.
Soy, I. J., Westchester Station.
Sproull, C., Pictou Landing.
Turner, J., West Northfield.
Wagner, C. O., Summerville Station.
Williams Brothers, Barney's River Station.

NEW BRUNSWICK

Anderson, W. S., Newcastle.
Bartlett Lumber Company, Fredericton.
Betts, H. S., Millerton.
Bonny River Lumber Company, Saint John.
Boyce, W. W., Fredericton.
Buchanan, R., Tabucintac.
Carman, H. A., South Devon.
Chamberlain, J. T., Gloucester Junction.
Colter, A. A., Fredericton.
Corey, J. A., Havelock.
Cormier, C. D., St. Paul.
Cormier, L., St. Paul.
Davis Company, Ltd., O. B., Grand Falls.
Douglas Limited, S., Fredericton.
Elliott, F. A., Cornhill.
Fleming & Gibson, Juniper.
Fraser Companies, Edmundston.
Gloucester Lumber & Trading Company, Bathurst.
Grant, J. F., Southampton.
Gray Rapids Lumber Company, Ltd., Blackville.
Harriman, A. P. M., Loggieville.
Hatfield-Kyle Ltd., Juniper.
Havelock Mercantile Company, Havelock.
Harrington, W. E., Salisbury.
Irving Limited, J. D., Buctouche.
Kent Lumber Company, Moncton.
King Lumber Company, Ltd., Chipman.
Kingston, J. F., Newcastle.
Landry, N. P., Mount Carmel.
Loggie Company, Ltd., A. & R., Loggieville.
Loggie Company, Ltd., W. S., Chatham.
MacDonald, J. W., Campbellton.
O'Brien, J. L., South Nelson.
Paynter, C., Anagance Ridge.
Pinet, W. A., Burnsville.
Reid Brothers, Gagetown.
Richards, G., Bronson.
River Valley Lumber Company, Oromocto.
Ryan, S. S., Moncton.
Sayre, F. E., Saint John.
Scott, W. J., Fredericton.
Snowball Company, J. B., Chatham.
Steeves, J. F., Moncton.
Sullivan, W., South Nelson.

QUEBEC

Abitibi Lumber Company, Ltd., LaSarre.
Bertram, J. C., Ottawa.
Canadian International Paper Company, Montreal.
Couturier, A., St. Louis de Ha Ha.
Fleming Tie & Lumber Company, Ottawa.
Germain, J. A., Portneuf.
Hunting & Sons, W. H., Huntingville.
Julien, R., Grand Allee, Quebec City.
Lamb, C., Chandler.
McLeod & Pelletier, G. & M., Rawdon.
National Wood Company, Westmount.
Paradis & Sons, Ltd., Victoriaville.
Price Brothers Company, Chicoutimi.
Quinn & Company, Reg'd., Windsor Mills.
Strong Limited, G. M., Montreal.

ONTARIO

Acme Timber Company, Ltd., Sudbury.
Brent Lumber Company, Montreal.
Campbell Timber Company, Fort Frances.
Canadian Tie & Lumber Company, Ltd., Toronto.
Carpenter, C. H., Montreal.
Clarke, W. R., Toronto.
Cochrane, W. C., Sudbury.
Cox, Limited, C. W., Port Arthur.
Farlinger, G. E. Sioux Lookout.
Fassett Lumber Corporation, Montreal.
Fee, J. Allenwater.
Feldman Timber Company, Ltd., Schumacher.
Harris Tie & Timber Company, Ltd., Ottawa.
Hawk Lake Lumber Company, Ottawa.
Hayward Lumber & Tie Company, Toronto.
Keewatin Lumber Company, Minneapolis, Minn.
Laidlow Belton Lumber Company, Sarnia.
Lanthier & Halls, Hearst.
Marshay Lumber Company, Toronto.
Martin, L. T., Ottawa.
Mathieu Limited, J. A. Fort Frances,
Merwin, B. F. Sudbury.
Missinaibi Timber Company, Peterbell.
McCreary, Jr., J., Dunrankin.
McKeown, J. J., Port Arthur.
New Ontario Contracting Company, Port Arthur.
Pine Lake Lumber Company, Watcomb.
Poupore Lumber Company, Ltd., Ottawa.
Rudolph, H. H. Weston.
Scott Lumber Company, Ltd., Port Arthur.
Slater, W. J. Baldur, P. O. Man.
Sleeman, W. T. Sleeman.
Timber Products Limited, Trenton.
Thompson & Heyland Lumber Company, Toronto.
Wallace, E. E. Sioux Lookout.

MANITOBA

Briggs, J. M., Cowan.
Dolynny, N., Bethel.
Galbraith & McDonald, Winnipeg.
Galloway, J., Vivian.
Goulet, L. R., Norgate.
Gray, F. D., Emerson.
Karpik, J., Brightstone.
Kutasiewish, J., Hoctor.
Laurie, J. E. Vivian.
Lupkoskie, L., Hadashville.
Lupkoskie, H., Hadashville.
Milkowski, A., Brightstone.
Monich, H., Brightstone.
Mudroski, N., Stead.
Nachet, S., Brightstone.
Petrue, W., Ladywood.
Petrue, J., Ladywood.
Potzaluko, M., Stead.
Roberts Limited, P. T., Winnipeg.
Ross, E. W., Erickson.
Romanovsky, S., Woodridge.
Seaman, K. P. Whitemouth.
Seaman, W. E., Whitemouth.
Sperling, R. Warroad, Minn.
Weselok, E., Ladywood.
Weselok, J., Ladywood.
Zarecki, B., Brightstone.

SASKATCHEWAN

Beeching, H. R., Steen Siding.
Belanger, F., Pre Ste. Marie.
Bone, A. W., Steen Siding.
Chipilski, J., Pre Ste. Marie.
Dixon, H., Bjorkdale.
Hett & Sibbald Ltd., Prince Albert.
Mahussier, H., Pre Ste. Marie.
Matusazak, J., Pre Ste. Marie.
Wholesale Fuel Company, Saskatoon.

ALBERTA

Allen, J. W., Glendon.
Anderson, J., Whitecourt.
Anderson, E., Whitecourt.
Andrews, H. W., Edson.
Batye, F., Bickerdike.
Baxter, H. F., Whitecourt.
Bell Tie Company, Edmonton.
Benson, B., Wildwood.
Benson, L., Wildwood.
Berg, C. A., Leedale.
Boisee, J. J., Maillaig.
Boudreau, L., Edmonton.
Brazeau Lumber Company, Ltd., Strathcona.
Brettingen, O., Edmonton.

ALBERTA—*Concluded*

Brittain, C., Marlboro.
Brown, M. P., Rocky Mountain House.
Budd, H., Wildwood.
Burnt Mountain Lumber Company, Edmonton.
Capostinsky, A., Granada.
Campbell, T. W., Robb.
Carlson, A., Junkins.
Ceal, A. C., Hinton.
Chalmers, J. W., Rocky Mountain House.
Chyz, W., Lessard.
Cinnamon, H., Spring Park.
Cinnamon, H., Lindberg.
Clarke, R. D., Edson.
Connors, J. M. & G. S., Red Deer.
Corser, F., Mackay.
Corser, A., Mackay.
Cummings, T., Edson.
Cundict, F. J., Hattonford.
Cushnier, T., Marlboro.
Davis, H., Glenevis.
Derrick, I. S., Rosevear.
Derick, C. N., Edson.
Dixon, W., Marlboro.
Dodington, E., Rochester.
Dresslaer, B. M. & Miller, F. C., Peers.
Edwards, C. T., Rocky Mountain House.
Erith Lumber Company, Erith.
Franklin, C., Marlboro.
Franklin, J. C., Marlboro.
Gylander, A., Magnolia.
Hallanger, O., Blue Ridge.
Hald, A. C., Chip Lake.
Hammond & Company, Rocky Mountain House.
Hanson, F. J., Edmonton.
Hanson, H. F. C., Wildwood.
Harter, J., Marlboro.
Hedberg, J., Edson.
Heim, R., Styal.
Hellekson, H. J., Mahaska.
Henry, A., Tawatinaw.
Hill, L., Rife.
Hogan, O., Blue Ridge.
Holman, C. A., Edson.
Hotz, C., Peers.
Houghland, E. M., Spring Park.
Howey, C., Marlboro.
Hyslop, W., Columbia.
Jenkins, F. J., Seba Beach.
Johnson, R. M., Mallaig.
Jones, D. S., Athabaska.
Karlzen, J. C., Whitecourt.
Kelly, H., Tomahawk.
Kennedy, C. D., Marlboro.
Kirkeskov, W., Chip Lake.
Kristiansen, O., Blue Ridge.
Kunee, A., Lessard.
L'Drum, W., Blue Ridge.
Lambert, C., Marlboro.
Lambert, J. L., Marlboro.
Lampman, J. W., Edson.
Lawyer, F. M., Edson.
Leatham, J., Entrance.
Lord, H. E., Wildwood.
Lotnick, W., Marlboro.
Mannix, A., Edson.
Marrigan, P. J., Edson.
Miller, D. W., Marlboro.
Millis, W., Bickerdike.
Moon, R. D., Edmonton.
Morrison, G., Rocky Mountain House.
Motherwell, D. G., Junkins.
MacFarland, W. E., Bickerdike.
MacLeod, J., Athabasca.
MacLeod, J. A., Athabasca.
McCormick, J. W. R., Evansburg.
McCormick, R. W., Athabasca.
McKinnon, C., Marlboro.
Nagy, P., Marlboro.
Navrot, S., Mallaig.
Nelson, E., Peers.
Nielson, C., Peers.
Olson, O., Robb.
Osborne, L. L., Edson.
Pelletier, Lumber Company, Ltd., Calgary.
Perkins, K. B., Yates,
Peterson, J. P., Chip Lake.
Phoenix Lumber Company, Winnipeg.
Plant, D., Marlboro.
Plant, E., Obed.
Popejoy, A. L., Marlboro.
Redmond, J. W., Edson.
Redmond, L., Blue Ridge.
Roberts, H., Blue Ridge.
Robinson, H., Carrot Creek.
Robinson, H. C., Niton.
Rocky Mountain Timber Company, Winnipeg.
Rosichuk, H. L., Smokey Lake.
Rouch, J., Magnolia.
Rudi, A., Blue Ridge.
St. Marie, J., Peers.
Sharman, C., Chip Lake.
Shearer, J. B., Edmonton.
Smith, F., Whitecourt.
Smith, H., Edson.
Smith, G. W., Edmonton.
Spoke, J. C., Perryvale.
Stenberg, A., Blue Ridge.
Strom, E., Yates.
Svedberg, P., Carrot Creek.
Swanson, S., Edmonton.
Swanson, C. E., Styal.
Tokar, I., Edson.
Tuttle, J. T., Evansburg.
Warner, C. E., Marlboro.

BRITISH COLUMBIA

Adams, R. H., Fort Fraser.
Adams, A. W., Fort Fraser.
Alberta Pacific Lumber Co., Vancouver.
Alto, J., Nadina River.
Allin, T., Colleymount.
Anderson, M., Danskin.
Anderson, A. W., Decker Lake.
Anderson, G. K. & H. Holst, Prince George.
Anderson, G., Decker Lake.
Anderson, O., Isle Pierre.

BRITISH COLUMBIA—*Continued*

Anderson & Company, S., Decker Lake.
Annala, J., Nadina River.
Artress, H. E., Lejac.
Asserude, E., Shames.
Bach, A., Rose Lake.
Bach, E., Rose Lake.
Bach, F., Rose Lake.
Bain, P., Mission City.
Baird, D., Sheraton.
Ball, W. S., Forestdale.
Ballestra, J., Lumby.
Batard, de, P., Salmon Valley.
Beach, F., Francois Lake.
Beach, C., Francois Lake.
Bedore, L., Rose Lake.
Bell Lumber & Pole Co., Minneapolis, Minn.
Bergwall, F. A., Duncan.
Bertschi, A. C., Shelley.
Bertschi, A. F., Shelley.
Blonch, J., Burns Lake.
Boquist, E., Nichol.
Bostrom, A., Danskin.
Bostrom, C. O., South Bank.
Bostrom, C., Bickle.
Bostrom, J. E., Grassy Plains.
Boxall, W., Tchesinkut Lake.
Boyd, J. A., Prince George.
Boyd, J. R., Isle Pierre.
Braaton, L., Hulatt.
Bratsberg, P., Colleymount.
Brawn & Dunn, Giscombe.
Brotherton, J., Tchesinkut Lake.
Broughton & McNeil, Telkwa.
Bruhn, R. W., Sicamous.
Brunell, P., Burns Lake.
Bunting, Wm., Fort Fraser.
Burgoyne, J., Albreda.
Byers, J. M., Isle Pierre.
Cameron Lumber Co., Victoria.
Carlson, M. A., Fraser Lake.
Carlson, V., Decker Lake.
Carlson, J. P., Prince George.
Carrigan, J. W., Terrace.
Carroll & Sons, Decker Lake.
Carroll, R. M., Decker Lake.
Carroll, F. L., Decker Lake.
Cassidy, D., Colleymount.
Cassidy, P., Colleymount.
Chapman, C. A., Smithers.
Charratt, J. A., Fort Fraser.
Chenette, A. P., South Bank.
Christian, L. H., Savory.
Christensen, H., Fraser Lake.
Colbourne, J., Prince George.
Collins & Macken, Chilliwack.
Connor, F., Burns Lake.
Coop, Wm., Prince George.
Corbett, J., Francois Lake.
Cornell, W., Prince George.
Covington & Strimboldt, Topley.
Croteau, W., Telkwa.
Dandeneau, O., Hulatt.
Desseauve, P., Prince George.
Devauld, J., Finmore.
Dockrill, F. M., Telkwa.
Dool, J., Terrace.
Dore, A. M., Nichol.
Downey, C. I., Clearwater.
Drew, A. D., Tchesinkut Lake.
Dunn & Roumieu, Prince George.
Echlund, H., Rose Lake.
Echlund, N., Burns Lake.
Edstrom, A., Vanderhoof.
Elles, F., Isle Pierre.
Engman, O., Smithers.
Engstrom, E., Hulatt.
Erickson, H., Hulatt.
Erholtz, A., Nadina River.
Estes, A., Isle Pierre.
Evans, R., Shere P.O.
Falkiner, J., Fort Fraser.
Gager, F., Nadina.
Farmer, P. G., Enderby.
Farrell, A. C., Valemount.
Fawcett, W. H., Fort Fraser.
Featherly, W., Burns Lake.
Fehr, O., Prince George.
Fennell, G., Chu Chua.
Ferguson, E., Palling.
Fjestad, E., Topley.
Flood, G. S., Hope.
Foreman Lumber Co., Prince George.
Francois Lake Timber Products Ltd., South Bank.
Ford & Bernard, Victoria.
Fort Garry Lumber Co., Prince George.
Fransen, O., Forestdale.
Fraser, R., Willow River.
Fraser Lake Sawmills, Ltd., Fraser Lake.
Fraser Valley Tie & Lumber Co., Vancouver.
Gale, F., Nadina River.
Gallon, A. M., Lavington.
Gamper, A., Burns Lake.
Garten, G. A., Vavenby.
George, F., Vanderhoof.
Giggey, C. L. M., Terrace.
Gilgan, J. D., Tchesinkut.
Goodchild, T., Matsqui.
Goodland, H.C., Vanderhoof.
Goold, J., Houston.
Gordon, J. K., Terrace.
Graham, H., Lytton.
Grasser, C., Bickle.
Griffin, H. J., Fort Fraser.
Hagberg, H. A., Finmore.
Haines, J. J., Black Pines.
Hammerbury, H., Danskin.
Hamre, P., Danskin.
Hamre, O. H., Danskin.
Hanson Lumber & Timber Co., Smithers.
Harkins, F. E., Engen.
Harper, C., Isle Pierre.
Harper & Son., J., Cobble Hill.
Hartman, M. G., Fraser Lake.
Haver, N., Burns Lake.
Hawthorne, W. W., Forestdale.
Holmgren, C., Burns Lake.
Hietala, M., Nadina River.
Holmes, L. E., Topley.
Holmes, R., Prince George.
Hoover, L., Black Pines.
Horning, J. F., Topley.
Hougen, B., Bickle.
Huelorth, H., Prince George.

BRITISH COLUMBIA—*Continued*

Hultkranz, O., Forestdale.
Humphreys, P. T., Nadina.
Hutter, M., Palling.
Irwin, B. W., Fort Fraser.
Jamieson, L. C., McBride.
Jannack, C. H., Topley.
Jarman, H. B., Rose Lake.
Jenkins, L. M., Blackpool.
Johnson, A., Bickle.
Johnson, G. J., Chilako.
Johnson, H., Colleymount.
Johnson, A., Rose Lake.
Johnson, C., Isle Pierre.
Johnson Brothers, Prince George.
Jones, J. D., Terrace.
Jones, L. W., Westwold.
Kain, A., Palling.
Kain, D. M., Palling.
Keddy, B. B., Sheraton.
Keddy, J. C., Forestdale.
Keefe, J. H., South Bank.
Kelly, H. F., Louis Creek.
Kershaw, W. T., Bestwick.
Kettyle, C. J., Endako.
Kerr, J. E., Burns Lake.
King, A., Prince George.
Kissock, A. E., Burns Lake.
Kivi, A., Colleymount.
Larson, J. P., Mount Olie.
Laycock, M., Blackpool.
LeBlanc, C. J., Lumby.
LeDuke, C. J., Endako.
Lillja, J. A., Decker Lake.
Lindgren, K., Hulatt.
Little, G., Terrace.
Lockyear, F. & W. A., Prince George.
Long, J. A., Palling.
Lougheed, J. L., South Bank.
Loveng, O., Grassy Plains.
Loveng, G., Grassy Plains.
Loveng, M., Grassy Plains.
Loveseth, J. R., Danskin.
Loveseth, W., Fraser Lake.
Lund, E., Rose Lake.
Lunde, A., Decker Lake.
Lundstrom, O., Smithers.
Makins, F. W., Fort Fraser.
Martin, J. A., Finmore.
Martin, J., Francois Lake.
Matt, C. C., Nadina River.
Maunu, E., Nadina River.
Meier, E., Francois Lake.
Mellander, H., South Bank.
Menard, A., Fraser Lake.
Merrill, E. W., Decker Lake.
Meyers, A., Colleymount.
Miller, O. H., Palling.
Minger, R. G., Sheraton.
Moe, A., Decker Lake.
Moore, L. N., Tchesinkut Lake.
Moore, M. A., Tchesinkut Lake.
Moore, W. H., Bickle.
Morgan, W., Barriere.
Mortenson, V. C., Robbins Range.
Moynihan, J., Nadina River.
Mulvanny, L., Burns Lake.
Munroe, A. R., Fort Fraser.
Murray, D. G., South Bank.
McKenzie, C. M., Vancouver.
McArthur, D. C., Willow River.
McCaffery Brothers, Prince George.
McCleary, S. C., Rose Lake.
McFarlane, W. M., Coughlan.
McGettigan, P. J., Savory.
McGregor, S. D., Danskin.
McInnes, A., North Bulkley.
McKenzie, G. C., Fort Fraser.
McNeill, W., Colleymount.
McPhail, H., Burns Lake.
McPhee, K., Tchesinkut Lake.
Nelson, J. H., Nadina River.
Nelson, E., Nadina River.
Nielson, S. C., Prince George.
Nicholson, J. T., Francois Lake.
Nissita, H., Nadina River.
Noble, A., Fort Fraser.
Nolan, E. A., Glenannon.
Nordin, F., Decker Lake.
Norberg, A., Houston.
Nysven, K., Francois Lake.
O'Brien, D., Louis Creek.
O'Hara, R. C., Burns Lake.
Ogston, G., Vanderhoof.
Oknianski, A., Bickle.
Olson, K., Tchesinkut Lake.
Olson, P., Decker Lake.
Oreskovix, J., Bickle.
Osborne, E., Colleymount.
Ostberg, C., Burns Lake.
Ouderkirk, W. S., Quick.
Parkhurst, C. C., South Bank.
Patrick, T., Lumby.
Paulson, O., Rose Lake.
Pearce, F. N., Vernon.
Person, C., Decker Lake.
Piche, H., Decker Lake.
Ponsford, H. W., Fraser Lake.
Preece, T. W., Smithers.
Price, H., Chinook Cove.
Prince Rupert Logging Co., Vancouver.
Radley, T. J., Burns Lake.
Roark, A. V., Finmore.
Roberts, W., Fort Fraser.
Robertson, A. D., Prince George.
Rosso, T., Nadina River.
Ryser, J., Fort George.
Salle, E., Chinook Cove.
Salle, E., Decker Lake.
Saranovich, F., Sheraton.
Sargent, A., Heffley Creek.
Saunders, W. C., Palling.
Schilling, F., Chinook Cove.
Schilling & Sons, J., Chinook Cove.
Schmidt, E. W., Barriere.
Schmidt, E., Chinook Cove.
Schreiber, C., Wistaria.
Schwenk, C., Chinook Cove.
Scott, C. E., Engen.
Scragg, W., Grassy Plains (Declined).
Seymour, F. J., Fort Fraser.
Sharp, G., Smithers.
Sheeler, E. W., Danskin.
Sidney, G., Louis Creek (Declined).
Sidney Lumber Co., Sidney.
Sigalet, Jr., H., Lumby.
Sibley, H., Bickle.

BRITISH COLUMBIA—*Concluded*

Sjoblad, J., Burns Lake.
Sjodin, A., South Bank.
Smedley, E., Vanderhoof.
Smith, B. A., Palling.
Smith, D. C., Mapes.
Stain, H., Nadina River.
Snell, G., Vanderhoof.
Stampflee, H. A. & A. E., Haddock, Mapes.
Stanyer, J. R., Francois Lake.
Stanyer, R. C., Francois Lake.
Starring, J. E., Rose Lake.
Starratt, M. S. & H. A. Long, Palling.
Stearns, F. M., Burns Lake.
Steiner, J., Lejac.
Steiner, F., Fraser Lake.
Striegler, G., Vanderhoof.
Striegler, H., Mapes.
Strom Brothers, Willow River.
Stubbs, M. H., Danskin.
Sturgeon, A. C., Forestdale.
Sundin, H., South Bank.
Surkan, N., Armstrong.
Sutton, G. L., Nichol.
Svendsen, H. E., Ashcroft.
Taerum, T., Fraser Lake.
Tarry, P. F., Vernon.
Thomasson, J., Terrace.
Thompson, McDonald & McDonald, Vancouver.
Tiljoe, A., Smithers.
Tolhurst, F. J., Nadina River.
Tretz, A., Falkland.
Tucker, J. E., Louis Creek.
Turner, W. B., Prince George.
Turner, J. W., Smithers.
Tuson, S. C., Red Lake.
Vanarsdol Lumber & Shingle Co., Copper City.
Van Horn, W. B., Telkwa.
Van Lear, J., Nadina River.
Wade, N. K., Port Kells.
Walker, R. C., Tchesinkut Lake.
Waldof, T., Prince George.
Warn, C., Decker Lake.
Warren, W. A., Falkland.
Watt, Wm., Bickle.
Weatherspoon, A. J., Burns Lake.
Weeks, H. M., Grassy Plains.
Weldon, W. H., South Bank.
West, L. H., Decker Lake.
Westcott, R. P., Vancouver.
Westland, C., Monte Lake.
Westburg, G., South Bank.
White, F., Victoria.
Wiggins, F., South Bank.
Williams, W. O., Fort Fraser.
Williams, P., Palling.
Wilson, P., Quick.
Wren, T. G., Nichol.
Young, J. J., Louis Creek.
Zielke, J. A., Sheraton.
Zogas, H., Hulatt.

MINNESOTA

Keewatin Lumber Company, Minneapolis.
Sperling, R., Warroad.

GRAND TRUNK WESTERN

Ayer & Lord Tie Company, Inc., Chicago, Ill.
Baker Wood Preserving Company, Chicago, Ill.
Joyce Watkins Company, Chicago, Ill.
Moss Tie Company, T. J., St. Louis, Mo.
Webster Lumber Company, Manistique, Mich.
Weiler & Company, Detroit, Mich.

(See page 408)

APPENDIX C

CANADIAN NATIONAL RAILWAYS

STATEMENT BY PROVINCES IN ALPHABETICAL ORDER SHOWING NAMES AND POST OFFICE ADDRESSES OF ALL FIRMS AND INDIVIDUALS WITH WHOM CONTRACTS WERE PLACED FOR TIES FOR DELIVERY IN YEAR 1931.

NOVA SCOTIA

Allen & Miner, Limited, Amherst.
Arklie Mullins Lumber Co., Halifax.
Bannerman & Robertson, New Glasgow.
Baxter, R. M., River Philip.
Bent, Estate of, C. M., Bridgewater.
Bragg & Sons, C., Collingwood Corner.
Campbell, J. K., Springville.
Canadian Lumber Company, Stewiacke.
Chambers, F. H., New Glasgow.
Cox, J. J., Shelburne.
Dunfield Lumber Company, Halifax.
Eastern Exporters, Limited, New Glasgow.
Eden Lumber Company, Riverdale.
Fullerton & Sons, Pictou.
Glennie, T. C., Oxford.
Goding & Starratt, Liverpool.
Grant, J. A., James River.
King Brothers, Oxford.
MacKenzie, D., New Glasgow.
MacMillan, A. S., Halifax.
Munro, D. W., Piedmont Valley.
McElmon, M., Oxford.
McElmon, A. E., Oxford.
McGregor Lumber Company, New Glasgow.
McIver, J. D., Barney's River.
McLelan, T. W., Oxford.
McLellan Brothers, Sutherlands River.
McLeod, H., West Bay Road.
Penny & Irving, Caledonia.
Pullman, Wm., New Glasgow.
Rafuse & Crouse, Bridgewater.
Read, Limited, C. H., Amherst.
Reid & Sons, A. J., Shubenacadia.
Rhodenizer, T. U., Barss' Corners.
Smith, Ltd., D. M., Truro.
Smith, A. B., Springhill.
Smith, A. D., Amherst.
Thompson, B. C., Antigonish.
Turner, J., West Northfield.
Tyrer Lumber Company, Halifax.

NEW BRUNSWICK

Anderson & Company, W. S., Newcastle.
Bartlett Lumber Company, Fredericton.
Bonny River Lumber Company, Saint John.
Boyce, W. W., Fredericton.
Buchanan, R., Tabucintac.
Burgess & Sons, J., Grand Falls.
Carman, H. A., South Devon.
Colter, A. A., Fredericton.
Connell, M. W., Chatham.
Corey, J. A., Havelock.
Coughlan, J., Tracadie.
Davis Co. Limited, Grand Falls.
Douglass, S., Fredericton.
Duffy & Sons, Ltd., W. H., Hillsboro.
Fleming & Gibson, Ltd., Juniper.
Fransblow, L. J., Tracadie.
Fraser Companies, Edmundston.
Gloucester Lumber Co., Bathurst.
Grant, J. F., Southampton.
Gray Rapids Trading Co. Ltd., Blackville.
Hatfield-Kyle, Limited, Juniper Station.
Havelock Mercantile Company, Havelock.
Horsman, C., Tutes Mountain.
Imperial Products Ltd., Woodstock.
Irving, Limited, J. D., Buctouche.
Johnstone, W., Halcomb.
Kent Lumber Company, Moncton.
Kerr & Company, G. S., Campbellton.
King Lumber Co. Ltd., Chipman.
Kingston, J. F., Newcastle.
Landry, N. P., Mount Carmel.
Lang, D., Baker Lake.
Lockhart, B. W., Moncton.
Loggie Co. Limited, A. & R., Loggieville.
Loggie Co. Limited, W. S., Chatham.
Maloney, J. W., Newcastle.
Mark Brothers, Moncton.
MacDonald, Limited, J. W., Campbellton.
O'Brien, J. L., South Nelson.
O'Leary & Sons, R. O., Richibucto.
Pinet, W. A., Burnsville.
Price, C., Canterbury.
Price, J. R., Tabucintac.
Reid Brothers, Gagetown.
Russell Lumber Company, Lower Newcastle.
Sayre, Limited, F. E., St. John.
Schaffer, Limited, M., Blackville.
Scott, W. J., Fredericton.
Sisk, F. W., Tracadie.
Snowball Co., J. B., Chatham.
Sullivan, Wm. M., South Nelson.
Swim, R., Doaktown.
Wilson, W. F., Demoiselle Creek.

QUEBEC

Abitibi Lumber, Limited, LaSarre.
Argenteuil Lumber Co., Morin Heights.
Baribeau, O., St. Genevieve de Batiscan.
Beauchemin & Fils, Amos.
Beaupre, Durette & Co., Estcourt.
Bourbeau, A., Montreal.
Canadian International Paper Co., Montreal.
Canadian National Lumber Co., St. Tite, Co. Champlain.
Carriere, L., Pine Hill.
Castonguay, A., St. Felicien.
Champoux, L. C., Makamik.
Charest, E., St. Stanislas.
Cinq-Mars, T. A., Rouyn de Temiscamingue.
Collard, H., Chicoutimi.
Coulombe, L. P., St. Paul de Montmagny.
Couture, L., Quebec City.
Dent, P., St. Sixte.
Dubois, J. E., Chicoutimi.
Drouin, P., Ste. Agathe, Co. Lotbiniere.
Duval, J., St. Calixte, de Kilkenny.
Duval, J. O., St. Calixte, de Montcalm.
Elliott, S., St. Paulin.
England, Robt., Blue River.
Fleming Tie & Lumber Co., C. E., Ottawa.
Foley, J. A., St. Thuribe.
Gagne, A., Laterierre.
Gauthier, E., Chicoutimi.
Germain, J. A., St. Marc des Carrieres.
Gravel, G., Montreal.
Hamel, J. A., Chicoutimi.
Henderson, N., Rouyn.
Howard-Bienvenu Lumber Co., Charny.
Horan, J. E., Danville.
Huart, L. N., Levis.
Hubert, E., Villeroy.
Hunting & Sons, Wm., Huntingville.
Jobidon, F., Stoneham.
Julien, R., Quebec City.
Lamb, C., Chandler.
Lemire, E., Rouyn.
Landry Pulpwood Company, Quebec City.
Lessard, P. A., Ste. Ursule.
Martel, J. O., St. Calixte, de Montcalm.
Massicotte, J. E., St. Genevieve de Batiscan.
Mercier, A., Laurier.
Moisan, A., St. Raymond.
Mooney, M. J., Quebec City.
Moore, J. A., Gray Valley.
Morel, H., Mattawa, Ont.
Morin, A. J., Belanger Siding.
MacLeod, G., Rawdon.
McGovern Brothers, LaSarre.
National Wood Company, Montreal.
Paradis & Sons, Ltd., Victoriaville.
Pellerin, G. E., Lac au Saumon.
Pelletier, M., Rawdon.
Poulin, J. F., St Edouard.
Pratt, A., Matapedia.
Quinn & Co. Reg'd., B., Windsor Mills.
Readman, J., St. Raymond.
Rowan, A., Rawdon.
Scott & Lusk, Limited, Tache County.
St. Marie & Company, U., Quebec City.
Stadacona Sales, Limited, Montreal.
Strong, Limited, G. M., Montreal.
Tanguay, O., St. Justine.
Tremblay, Reg'd, J. A., Bagotville.

ONTARIO

Acme Timber Co., Ltd., Sudbury.
Campbell Timber Co., Fort Frances.
Canadian Tie & Lumber Co., Ltd., Toronto.
Carew Lumber Company, J., Lindsay.
Clark, D. A., Port Arthur.
Cochrane, W. C., Sudbury.
Cox, C. W., Port Arthur.
Domic Tie & Lumber Co., Hearst.
Enders, N., Kakabeka Falls.
Falls, T., Port Arthur.
Farlinger, G. E., Sioux Lookout.
Fassett Lumber Corporation, Montreal.
Fee, John, Allenwater.
Fort William Products Co., Fort William.
Gull River Lumber Co., Lindsay.
Harris Tie & Timber Co., Ottawa, Ont.
Hill & Company, S. J., Port Arthur.
Holmes, B. V., Fort Frances.
Johnston, G., Port Arthur.
Keewatin Lumber Co., Kenora.
Leiterman & Sons, Kakabeka Falls.
Marshay Lumber Co. Ltd., Toronto.
Martin, Colonel L. T., Ottawa.
Mathieu, Limited, J. A., Fort Frances.
Merwin, B. F., Sudbury.
Missinaibi Timber Co., Peterbell.
McCreary, Jr., Jas., Dunrankin.
Mutchmor Timber Co., Winnipeg.
Nesti, F., Winnipeg, Man.
New Ontario Contracting Co., Port Arthur.
Northern Tie Company, Fort Frances.
Pine Lake Lumber Co., Wako.
Pigeon Timber Co., Port Arthur.
Poupore Lumber Co., Ltd., Gogama.
Rankin, J. J., Rasseau Road.
Rudolph, H. H., Weston.
Schreiber, C. C., Sudbury.
Schieder, F. J., Atikokan.
Scott Lumber Co. Ltd., Port Arthur.
Scott Lumber Co. Ltd., Port Arthur.
Shaw Timber Company, Fort Frances.
Sleeman, W. T., Sleeman.
Sovereign, G., Kakabeka Falls.
Thompson & Heyland Lumber Co., Toronto.
Timber Products, Limited, Trenton.
Trenton Cooperage Mills, Trenton.
Wallace, E. E., Norwood, Man.
Wardrope, G., Port Arthur.

(Thirty-four Settlers' Contracts, as per list attached).

LIST OF SETTLERS' TIES PURCHASED IN ONTARIO IN 1931

Allen, J. H., Quibell.
Antilla, A., Quibell.
Asikainen, O., Quibell.
Brooks, S. C., Quibell.
Cooper, N., Quibell.
Crowley, F. V., Quibell.
Fradsham, A., Amesdale.
Hakala, H. E., Quibell.
Hanacek, R., Quibell.
Helleston, S., Quibell.
Holmes, D. J., Richan.
Hunsko, A., Quibell.
Jackson, J. A., Quibell.
Jarvinen, F., Quibell.
Kujansen, W., Quibell.
Kujansen, P., Quibell.
Lake, J., Quibell.
Lalonde, W., Quibell.
Laykki, K., Quibell.
Maki, A., Quibell.
McEwen, W. J., Quibell.
McKeown, J. J., Machies.
McLean, C., Quibell.
Peroinen, P., Quibell.
Robinson, W. H., Quibell.
Remillard, A., Quibell.
Shields, J., Quibell.
Soronon, H., Quibell.
Spelman, F., Quibell.
Sul, S., Glenhope.
Swanson, J., Mrs., Quibell.
Thompson, F., Quibell.
Thompson, H. M., Quibell.
Thompson, J. A., Quibell.

MANITOBA

Block, S., Sprague.
Galbraith & McDonald, Winnipeg.
Goulet, L. R., Rennie.
Hawke, W., Hudson Bay Junction, Sask.
McGillivray, D. J., Winnipeg.
Pasternak, W. J., Ethelbert.
Roberts, Limited, P. T., Winnipeg.
Romanovsky, S., Woodridge.

(Fifty-six Settlers' Contracts, as per list attached).

LIST OF SETTLERS TIES PURCHASED IN MANITOBA IN 1931

Belenets, J., Lac du Bonnet.
Bouthillier, Th., Hiliside Beach.
Boyke, J., Tibau, P.O.
Briggs, J. M., Cowan.
Brynchyshin, Wm., Lac du Bonnet.
Burtnyk, L., Cowan.
Carr, R., Box 95, The Pas.
Charrette, J., Decimal P.O.
Clyn, Wm., Bethel.
Devigne, M., Lewis.
Deyholos, M., Ethelbert.
Didur, S., Ethelbert.
Dolynny, N., Erickson.
Dzamon, J., Ethelbert.
Dzwinyk, H., Ladywood.
Dznenyk, H., Ladywood.
Gnyp, P., Ladywood P.O.
Gralla, H., Taras P.O.
Hancharick, E. M., Ladywood.
Hawkins, R. C., St. Martins.
Hemmingson, H. G., Scandinavia.
Hladiuk, N., Tibau P.O.
Holmes, W. J., Winnipeg.
Kalinovich, P. S., Box 95, Ethelbert.
Karpik, J., Lac du Bonnet.
Kubin, W., Ethelbert.
Kutasiewich, J., Hadashville.
LeClaire, J. R., The Pas.
Luposkie, L., Hadashville.
Lupkoskie, N., Hadashville.
Mandzink, G. T., Ethelbert.
Melnyk, W., Ethelbert.
Melnyk, M., Ethelbert.
Milkosky, A., Lac du Bonnet.
Mills, A., Beaconia.
Monich, H., Brightstone.
Ogrodnik, N., Beaconia.
Olson, C., Hodgson.
Olson, O., Hodgson.
Paley, N., Ethelbert.
Petras, A., Taras P.O.
Petras, J., Ladywood.
Petras, Wm., Ladywood.
Pohyonen, H., Janow.
Posaluko, M. A., Beaconia.
Prokopow, M., Tibau P.O.
Prokopow, F., Tibau.
Reader, H. W., The Pas.
Scott, M., Scott Block.
Syrnyk, S. J., Ethelbert.
Streit, R., The Pas.
Wavylund, P., Ethelbert.
Wikdahl, G., Erickson.
Wolochatnik, T., Ethelbert.
Yakimen, E., Janow.
Zaretsky, B., Taras.

STATEMENT BY PROVINCES IN ALPHABETICAL ORDER SHOWING NAMES AND POST OFFICE ADDRESSES OF ALL FIRMS AND INDIVIDUALS WITH WHOM CONTRACTS WERE PLACED FOR TIES FOR DELIVERY IN YEAR 1931.

MINNESOTA

National Pole & Treating Co., Minneapolis.

SASKATCHEWAN

Hett & Sibbald, Limited, Prince Albert.
Jackson, E., Hudson Bay Junction.
Marshall, J. H., St. Walburg.
Matussasak, J., McKague.
MacKeen, R. E., Turtleford.
Wholesale Fuel Company, Saskatoon.

(Thirteen Settlers' Contracts, as per list attached.)

LIST OF SETTLERS TIES PURCHASED IN SASKATCHEWAN IN 1931

Adams, F., Sylvania P.O.
Belanger, F., Pre St. Marie.
Dixon, H., Steen.
Edworthy, J., Bannock.
Fournier, A., Pre St. Marie.
Larock, F., Prince Albert.
Logan, J. B., Steen.
Ludvikson, J., Glaslyn.
Mahussier, H., Pre St. Marie
Turnbull, T., Nipawin.
Wardrop, R., Bodmin.
Wilson, R. P., Big River.
Wilson, A., Walburg.

STATEMENT BY PROVINCES IN ALPHABETICAL ORDER SHOWING NAMES AND POST OFFICE ADDRESSES OF ALL FIRMS AND INDIVIDUALS WITH WHOM CONTRACTS WERE PLACED FOR TIES FOR DELIVERY IN YEAR 1931.

ALBERTA

Bell Tie Company, Edmonton.
Boudreau, L., Edmonton.
Brazeau Lumber Co., Strathcona
Brettingen, O., Edmonton.
Buchanan, J. A., Edmonton.
Connors, G. S., Red Deer.
Conroy, D. E., Edmonton.
Corser, A., MacKay.
Corser, F., MacKay.
Erith Lumber Company, Erith.
Franklin, C., Marlboro.
Jones, D. S., Athabasca.
Jones, D. B., Edmonton.
Kennedy, G. D., Marlboro.
MacLeod, J. A., Athabasca.
Phoenix Lumber Company, Winnipeg, Man.
Roberts, H., Blue Ridge.
Rocky Mountain Timber Co., Winnipeg, Man.
St. Marie, J., Peers.
Smith, G. W., Edmonton.
Swanson Lumber Co., Edmonton.
Walkeden, T. J. A., Edmonton.
Western Construction & Lumber Co., Edmonton.
Western Tie & Timber Co., Edmonton.

(Five hundred and twenty-five Contracts, as per list attached.)

LIST OF SETTLERS TIES PURCHASED IN ALBERTA IN 1931

Acorn, W. H., Peers.
Acorn, E. C., Peers.
Adams, C. E., St. Paul.
Akers, J. C., Wildwood.
Alderman, F., Marlboro.
Allen, P., Carrot Creek.
Allen, A., Lindburg.
Allen, J. W., Glendon.
Anderson, J. E., Styal.
Anderson, E. M., Edson.
Anderson, Ed., MacKay.
Anderson, A., Wildwood.
Anderson, F., Rowan P.O.
Anderson, A. J., Wildwood.
Anderson, E., White Coast.
Anderson, E. W., Edson.
Anderson, L. V., Bickerdike.
Andrews, R. P. C., Redwater.
Arbuckle, R. E., Carrot Creek.
Armstrong, N. A., Edson.
Armstrong, P., Edson.
Ashmead, G., Hattonford.
Ball, O., Edson.
Barass, C., Shining Bank.

Barass, W., Shining Bank.
Barass, A. M., Haddock.
Barnes, J. J., Horburg.
Bateman, Ed., Granada.
Bates, M., Marlboro.
Batey, J. N., Peers.
Baxter, H. F., Whitecourt.
Baxter, L. H., Whitecourt.
Bean, W. J., Dovercourt.
Bean, J. B., Dovercourt.
Benesh, Wm., Wildwood.
Benesh, Wm., Wildwood.
Benson, J., Box 336, Rck. Mtn. House.
Benson, B. Jr., Wildwood.
Benson, Burt., Wildwood.
Benson, L., Wildwood.
Berger, A., Rck. Mtn. House.
Bergeron, A., Edson.
Bidmead, A. E., Edson.
Blackmore, E., Styal.
Bohus, J., Marlboro.
Boisee, J., Therien.
Bolin, G., MacKay.
Boone, T., Wildwood.
Bopp, H., Stony Plain.
Bosomworth, A., Wildwood.
Botting, G., Bingley.
Bradbeck, A., Wildwood.
Bradley, N., Niton.
Bradon, J., Chip Lake.
Bransford, J., Wildwood.
Brittain, G., Marlboro.
Bromm, R. S., Edson.
Brooks, E. R., Rock. Mtn. House.
Bucik, M., Wolf Creek.
Bucik, A., Wolf Creek.
Buck, N. J., Carrot Creek.
Budd, W. F., Wildwood.
Budd, W. F., Wildwood.
Budd, W. H., Wildwood.
Budd, H., Wildwood.
Burdick, H. A., Peers.
Bureau, E., Edson.
Burnett, W. A., Wildwood.
Burton, E., Carvell.
Callahan, D. H., Bonnyville.
Campbell, G. A., Chip Lake.
Capostincky, F., Granada.
Capostinsky, J., Granada.
Capostincky, A., Granada.
Carling, G., Niton.
Carlson, A., Wildwood.
Carlson, B., Peers.
Carlson, O. A., Wildwood.
Carlson, W., Blue Ridge.
Carroll, G., Wildwood.
Carson, D., Warspite.
Ceal, A. G., Drinnan.
Chalmers, A., McLeod Valley.
Chalmers, F., McLeod Valley.
Champagne, E., Carrot Creek.
Chapman, C., Niton.
Chapman, R., Junkins.
Chart, E. E., Carrot Creek.
Chestock, J., McLeod Valley.
Chornomoretz, D., Granada.
Christinsen, J., Box 257, Rocky Mtn. House.
Chys, W., Lessard.
Cinnamon, C. L., Lindbergh.
Cinnamon, H. R., Lindbergh.
Cinnamon, H., Spring Park.
Cinnamon, H., Lindberg.
Clark, J., McLeod Valley.
Clark, W. J., McLeod Valley.
Coghlan, A., Edson.
Collings, T., Niton.
Conner, P.O., Athabasca.
Conover, H. J., Peers.
Conover, H. K., Peers.
Cook, W. R., Rocky Mtn. House.
Cook, H. M., Rocky Mtn. House.
Corbiere, L., Mallaig.
Corbiere, A., Mallaig.
Corbierre, J. B., Mallaig.
Corkhill, J., Niton.
Coster, R., Athabasca.
Cote, P., Granada.
Coulling, G., Wildwood.
Cowan, L. D., McLeod Valley.
Crisk, T. W., Peers.
Crook, R. M., Marlboro.
Crooker, O. B., Edson.
Cross, F., Edson.
Cuming, T., Edson.
Cundict, F. J., Hattonford.
Curry, J., Niton.
Cushnier, T., Bickerdike.
Dalglish, T. R., Box 321, Roc. Mtn. House.
Danyluk, N., Carrot Creek.
Davidson, S., Edson.
Davies, G. L., Mahaska P.O. Peers.
Dekene, M., Tomahawk.
Demachesky, F., Franchere.
Derick, C. W., Edson.
Desjarlais, L., Marlboro.
Desjarlais, P., Bickerdike.
Desjarlais, R. M., Bickerdike.
Desjarlais, D., Marlboro.
Desjarlais, J. J., Bickerdike.
Desjarlais, P., Marlboro.
Desjarlais, A., Marlboro.
Dickman, Wm., Peers.
Dickson, A., Niton.
Dix, W. A., Peers.
Dobernigg, F., Carrot Creek.
Dorrance, J., MacKay.
Doughty, F. V., Marlboro.
Dresslaer, B. M., Mahaska.
Dresslaer, R. L., Mahaska.
Durbin, G. V., Wildwood.
Durbin, R., Wildwood.
Edmonds, R., Dovercourt.
Erickson, G., Wildwood.
Erickson, A., Wildwood.
Eror, J., Rocky Mt. House.
Evans, C. W. Leaman.
Eucher, W., Wildwood.
Fansher, W. E., Marlboro.
Fenton, N. C., Roc. Mtn. House.
Fetzer, E., Styal.
Flanders, H. C., Elk Point.
Fogelquist, D., Rocky Mtn. House.
Ford, H. E., Hattonford.
Foster, L. F., Peers.
Foulis, J., Carrot Creek.
Franklin, J. C., Marlboro.

Fraser, C., MacKay.
French, B. B., Ferguson Flats.
Fuller, J. M., Rocky Mtn. House.
Gabler, G. L., Strachan, Alta.
Gabler, M., Strachan.
Gabriel, J., Granada.
Gabriel, J., Granada.
Gallagher, O., Niton.
Garbe, W. J., Redwater.
Gardin, P. O., Wildwood.
Gardiner, E. G., Peers.
Garrard, E., Wildwood.
Gauvreau, C. H., St. Paul.
Gerrard, S., Wildwood.
Getson, G. R., Chip Lake.
Gibbons, E., Edson.
Gibbons, A., Edson.
Gibennas, Wm., Wildwood.
Gideon, C. E., Marlboro.
Gordon, L. L., McLeod Valley.
Graf, L., Marlboro.
Graham, T. H., Niton.
Graham, R. "Mrs.", Strachan.
Graham, R. T., Strachan.
Graham, J. E., Rosevear.
Graham, C., Rosevear.
Grande, J., Drayton Valley.
Grant, W. "Mrs", Athabasca.
Gray, Ira D., Rocky Mtn. House.
Groleau, T., Therien.
Grosso, S., Horburg.
Gruschen, D., Granada.
Gylander, A., Magnolia.
Gylander, F., Magnolia
Hackett, J. E., Edson.
Hagen, O., Blue Ridge.
Hald, A. C., Chip Lake.
Hanger, O., Niton.
Hankel, C. F., Bordenave.
Hansel, A., Rocky Mtn. House.
Hanson, F. J., Niton.
Hanson, H. F. C., Wildwood.
Hardy, J. L., Rocky Mtn. House.
Hardy, C. P., Hattonford.
Hart, R. G. W., Chip Lake.
Hart, J., Drinnan
Haworth, F. E., Strachan.
Haystrom, J. E., MacKay.
Hedburg, J., Edson.
Hedin, E. J., Whitecourt.
Heim, R., Styal.
Hellekson, P. A., Mahaska.
Hellekson, D. A., Mahaska.
Hellekson, H. J., Mahaska.
Herzog, F., Styal.
Hewitt, E. H., Carrot Creek.
Hindmarsh, J. E., Edson.
Hinton, C. R., Dovercourt.
Hivzi L., Marlboro.
Haggart, J. M. Jr., Edson.
Hoggart, C., Edson.
Hoggart, James, Jr., Edson.
Hoggart, D. J., Edson.
Holman, C., Edson.
Holtby, A., Wildwood.
Hostvedt, J., Lindberg.
Hotz, G., Peers.
Hoppe, F. C., Bickerdike.
Howey, J., Marlboro.
Howey, C., Marlboro.
Hubert, Hy., Therien.
Hudson, C., Rocky Mtn. House.
Hunter, J. E., Marlboro.
Hurd, G., Spring Park.
Hut, J., Chip Lake.
Hutchinson, T. W., Chedderville.
Iley, Wm., Bickerdike.
Ingle, C., Hattonford.
Ironside, L., Peers.
Irwin, C. F., Carrot Creek.
Irwin, J. J., Carrot Creek.
Irwin, F. F., Carrot Creek.
Jackson, L. A., Rocky Mtn. House.
Jamieson, O. O., Athabasca.
Jellis, W. H. S., Edson.
Jenkins, J., Jeba Beach.
Jenson, C. P., Moon Lake.
Johnson, O., Yates.
Johnson, C., Ravine.
Johnson, A., Rocky Mtn. House.
Johnson, J. R., Rocky Mtn. House.
Johnston, J. A., Leslieville.
Johnson, A., Wildwood.
Johnson, O., Wildwood.
Jones, D., Niton.
Jones, Jas., Rocky Mtn. House.
Jorgensen, C. P., Wildwood.
Jukich, M., Rocky Mtn. House.
Jurovich, N., Rocky Mtn. House.
Kaeding, J., Wildwood.
Kallbom, O., Whitecourt.
Karlzen, J. G., Whitecourt.
Kelly, H., Tomahawk.
Kennedy, H., Marlboro.
Kerr, D., Ravine.
Kerr, A. H., Box 122, Edson.
Keyes, D. C., Box 52, Edson.
Keyes, D. W., Box 52, Edson.
King, A. J., Rocky Mtn. House.
King R., Niton.
Kirkeskov, W. J., Chip Lake.
Kistler, J., Rosebear.
Klanke, H., Edson.
Klein, A., Rocky Mtn. House.
Kobberstad, N., Blue Ridge.
Kelbach, K., Marlboro.
Kordeluk, P., Wildwood.
Kuetbach, C., McLeod Valley.
Kuetbach, G., McLeod Valley.
Kundak, T., Rocky Mtn. House.
Kune, J., Chip Lake.
Kuster, Hy., Wildwood.
Kuszner, F., Chip Lake.
Kuzyk, M., Wolf Creek.
Lambert, J. Leo., Marlboro.
Lambert, C., Marlboro.
Lambie, T., McLeod Valley.
Lampman, J. W., Edson.
Lane, C. M., Marlboro.
Laplante, P., Cold Lake.
Lawson, C. B., Edson.
Leary, W. H., Whitecourt.
Lehman, J., Edmonton.
Leslie, G., Chip Lake.
Leslie, A., Chip Lake.
Lien, O., Highway P.O.

Loch, M., Glendon.
Lockrun, O. G., Niton.
Long, H., Rocky Mtn. House.
Lord, R. E., Wildwood.
Loronson, Wm., Lindberg.
Lotnick, Wm., Marlboro.
Lotnick, J., Marlboro.
Lotsberg, H., Glendon.
Lovell, R. C., Marlboro.
Lynn, R., Blue Ridge.
Mading, E., Edson.
Major, L., Strachan.
Makaryszyn, F., Edson.
Maitland, L. D., Niton.
Manary, W. J., Carrot Creek.
Mannix, A., Edson.
Mansikka, S., Rocky Mtn. House.
Marson, F., Rochester.
Mason, C. H., Leslieville.
Matiuzik, M., Wildwood.
Mattinson, R. P., Rocky Mtn. House.
Mattson, A., McKay P.O. Alta.
Mattucks, J. O., Rocky Mtn. House.
Meek, E., Entwistle.
Meers, E., Niton.
Meropoulis, E., Niton.
Meropolis, L., Niton.
Michaud, P., Mallaig.
Miller, M., Niton.
Miller, C., Niton.
Miller, D., Marlboro.
Miller, K., Styal.
Milligan, R. H., Leaman.
Millis, W. M., Bickerdike.
Moberg, A., Rocky Mtn. House.
Mortenson, O., Carrot Creek.
Motherwell, D. G., McKay.
Muller, O., Edson.
Mansterman, F. Rochester.
MacDonald, J., Rocky Mountain House.
MacDonald, S., Niton.
Macfarland, W. E., Bickerdike.
MacKay, W. D., MacKay.
McAmmond, T., Edson.
McColeman, A. D., Wildwood.
McColman, R., Wildwood.
McCormick, R. W., Athabaska.
McDermid, W. J. Peers.
McDermid, D., Mackay.
McDonald, J., Strachan.
McDowall, J. H., Niton.
McKinnon, C., Marlboro.
McLean, J., MacKay.
McLeod, B. W., Rocky Mountain House.
Nagy, P., Madlboro.
Nasby, M., Niton.
Mavarla, C., Moon Lake.
Navrot, L., Mallaig.
Navrot, S., Mallaig.
Nelson, O. M., Edson.
Nelson, E., Drinnan.
Nelson, G., Mackay.
Nelson, M., Wildwood.
Nelson, J., Wldwood.
Nemlander, R., MacKay.
Nero, A., Wildwood.
Nickerson, H., Entrance.
Nielson, N. C., Peers.
Nikolajuk, M., Wildwood.
Niles, G. A., Leaman.
Novotny, E., Carrot Creek.
Novotny, F., Carrot Creek.
Oberg, C., Wildwood.
Odinsky, N., Rosevear.
Ilsen, K., Granada.
Olsen, O., Blue Ridge.
Olsen, J., Blue Ridge.
Olson, K. G., Wildwood.
Osborn, L. L., Edson.
Oslund, A., Edson.
Paliwood, J., Granada.
Paschak, D., Wolf Creek.
Paschak, S., Wolf Creek.
Paschak, N., Wolf Creek.
Pasmore, A., Lindberg.
Paterson, W. A., Marlboro.
Paterson, D., Marlboro.
Pattison, J., Wildwood.
Paulson, C. G., Strachan.
Pease, J., Edson.
Pedersen, A. J., Wildwood.
Perkins, A. A., Rocky Mountain House.
Perkins, K. B., Edson.
Peterson, J. P., Chip Lake.
Peterson, A., Wildwood.
Peterson, C., Carrot Creek
Pfammuller, M., Rochfort.
Pfenffer, H., Edson.
Phillips, J. W., Wildwood.
Phillips, F., Styal.
Pion, F., Rocky Mountain House.
Pitcher, Wm., McLeod Valley.
Popejoy, A. E., Marlboro.
Popejoy,, A. L., Marlboro.
Price, G. A., Leslieville.
Profitt, D. M., Styal.
Puff, W., Edson.
Redmond, L., Blue Ridge.
Redmond, J. W., Edson.
Reid, L. G., Athabasca.
Renwick, G. A., Carrot Creek.
Renwick, P. W., Carrot Creek.
Renwick, R. P., Carrot Creek.
Richert, O., Wolf Creek.
Riewe, R., Edson.
Rober, N. J., Wildwood.
Robinson, J. B., Chedderville.
Robinson, H. C., Niton.
Robinson, H., Carrot Creek.
Rodtka, F., Rocky Mtn. House.
Rosichuk, H. L., Smoky Lake.
Ross, H., MacKay.
Rowatt, J. T., Carrot Creek
Rucker, C., Carrot Creek.
Rucker, W. H., Carrot Creek.
Rudi, A., Blue Ridge.
Rudyk, S., Tawatinaw.
Rundell, E. O., Strachan.
Runzer, F., Entwistle.
Safberg, A., Rocky Mtn. House.
Sali, E., Athabasca.
Sali, A. Y., Athabasca.
Sanders, J. H., Edson.
Sawchuk, K. G., Granada.

Sawyer, C., Caroline.
Schroeder, H., MacKay.
Scott, J. F., Blue Ridge.
Seames, G. H., Niton.
Selstedt, H., Leaman.
Semashkowick, J., Edson.
Semonovich, G., Rosevear.
Serko, P., Chip Lake.
Shafer, C. V., Chip Lake.
Shantz, B. A., Rocky Mtn. House.
Sharman, C., Chip Lake.
Sheppard, W. J., Niton.
Sheppard, L. A., Edson.
Shields, H., Niton.
Shields, R., Niton.
Shilka, J. D., Edson.
Sidon, F., Wildwood.
Sidon, J. A., Wildwood.
Simon, P., Marlboro.
Sinclair, Wm., Rocky Mtn. House.
Smith, C., Edson.
Snyder, C. F., Rocky Mtn. House.
Solen, B., Drayton Valley
Solheim, O., Blue Ridge.
Sonne, H. A., Hattonford.
Spears, J. A., Leslieville.
Spence, D. S., Chedderville.
Stanock, J., Rosevear.
Stanton, W. A., Wildwood.
Stelfox, H., Rocky Mtn. House.
Stephenson, O., Tawatinaw.
Stephenson, H., Tawatinaw.
Stephenson, L. B., Tawatinaw.
Stoffle, J., Marlboro.
Stokke, P., Blue Ridge.
Strom, E., Yates
Struble, L., Rocky Mtn. House.
Sukomski, A., Granada.
Sullivan, T. R., Tomahawk.
Svedberg, P., Carrot Creek.
Svedberg, G., Carrot Creek.
Swanson, A., Leaman.
Swanson, C. E., Styal.
St. Marie, T., Peers.
Taft, T., Niton.
Tate, D., Styal.
Tate, H., Wildwood.
Tate, W., Styal.
Taylor, H., Blue Ridge.
Teare, Wm., Niton.
Tekset, O., Whitecourt.
Thiem, P. C., Wolf Creek.
Thomas, W., Perryvale.
Thompson, J. C., Rocky Mtn. House.
Thurber, R. E., Edson.
Tindall, B., Wildwood.
Tindall, J. S., Wildwood.
Tindall, R., Wildwood.
Tipman, M., Marlboro.
Tipman, C., Marlboro.
Tomlinson, C. W., McLeod Valley.
Torsti, L., Rocky Mtn. House.
Trapp, C. M., Edson.
Trousil, H. R., Ardmore.
Tucker, W. H., Niton.
Tuttle, T. J., Evansburg.
Ustinowich, Y., Granada.
Valentine, Wm., Wildwood.
Vanee, H. A., Rosevear.
Vance, J. E., Rocky Mtn. House.
Vandenberg, A., Niton.
Vikstrom, C., Wildwood.
Waite, W. H., Yates.
Waite, A., Yates.
Warner, C., Marlboro.
Warner, C. B., Marlboro.
Warren, W. L., Blue Ridge.
Watson, E. J., Blue Ridge.
Wheels, H. E., Wildwood.
White, C. E. B., Peers.
White, S., Edson.
White, J., Niton.
White, H. T., MacKay.
Wilson, J. J., Drinnan.
Wilson, C., Rocky Mtn. House.
Winter, R. H., Bickerdike.
Winters, C. F., Bickerdike.
Winward, J. F. A., Wolf Creek.
Wiseman, B., Hattonford P.O.
Wood, D., Marlboro.
Wortendyke, J. O., Wildwood.
Ziegler, A., Styal.
Zukowski, S., Granada.
Zukowski, W., Granada.
Zukowski, A. "Mrs.", Granada.

STATEMENT BY PROVINCES IN ALPHABETICAL ORDER SHOWING NAMES AND POST OFFICE ADDRESSES OF ALL FIRMS AND INDIVIDUALS WITH WHOM CONTRACTS WERE PLACED FOR TIES FOR DELIVERY IN YEAR 1931.

BRITISH COLUMBIA

Alberta Pacific Lumber Co., Vancouver.
Anderson & Company, S., Decker Lake.
Bain, P., Mission City.
Bloom & Sigalet, Limited, Lumby.
Bostrom, J. E., Grassy Plains.
Brawn, H. H., Giscombe.
Bruhn, R. W., Sicamous.
Brunell, P., Burns Lake.
Bunting, Wm., Fort Fraser.
Burgoyne, J., Albreda.
Cameron Construction Co. Ltd., Vancouver.
Carroll & Sons, Decker Lake.
Chapman, C. A., Smithers.
Collins-Macken Mills, Ltd., Chilliwack.
Coop, Wm., Prince George.
Covington & Strimboldt, Topley.
Davidson, J. L., Vancouver.
DeCew Lumber Co., Vancouver.
Dunn, J. I., Giscombe.
Devauld, J., Prince George.
Farmer, P. G., Enderby.
Fennell, G., Chu Chua.
Foreman Lumber Co., Prince George.
Fort Garry Lumber Co., Prince George.
Francois Lake Timber Products Co., Encombe.
Fraser Lake Sawmills, Ltd., Fraser Lake.
Fraser Valley Tie & Timber Co., Vancouver.
Giggey, C. L. M., Terrace.
Gordon, J. K., Terrace.
Hanson Lumber & Timber Co., Smithers.
Hultkranz, O., Forestdale.
Industrial Timber Mills, Youbou.
Kamloops Forest Products Ltd., Vancouver.
Kosikar, J. M., Hope.
Little, George, Terrace.
M.B.Y. Lumber Co., Gleneagles.
McCaffery Brothers, Prince George.
McGettigan, P. J., Savory.
McInnes, A., North Bulkley.
McKay & Flannagan Brothers, Cloverdale.
McKenzie, C. M., Vanderhoof.
Ogston, G., Vanderhoof.
Ominica Timber Products Ltd., Vancouver.
Pondosa Pine Lumber Co., Monte Lake.
Preece, T. W., Smithers.
Rogers, D., Milner.
Ross & Son, M., Aldergrove.
Schilling & Sons, Chinook Cove.
Schreiber, C., Bickle.
Sigalet & Company, H., Lumby.
Smedley, E., Vanderhoof.
Smith, B. A., Palling.
Smith, R. M., Duncan.
Strom Brothers, Willow River.
Strang, A., Lytton.
Vanarsdol Lumber & Shingle Co., Copper River.
Wade, N. K., Port Kells.
Waldof, T., Prince George.
Wren, T. G., Hulatt.
Young & Irvine, Fort Langley.
Zogas, H., Hulatt.

Eight hundred and fifteen Settlers' Contracts, as per list attached.

LIST OF SETTLERS' TIES PURCHASED IN BRITISH COLUMBIA IN 1931

Adams, W. R., Terrace.
Adams, J. D., Valemont.
Adams, R. H., Fort Fraser.
Agar, J. B., Terrace.
Ailport, L. I., Topley.
Ailport, E., Rose Lake.
Ailport, H. C., Topley.
Alex, P., Nadina River.
Alto, J., Nadina River.
Amot, G., Decker Lake.
Andelin, V., Colleymount.
Anderson, M., Savory.
Anderson, H. G., Isle Pierre.
Anderson, C., Decker Lake.
Anderson, A. W., Decker Lake.
Anderson, O., Isle Pierre.
Anderson, O., Palling.
Anderson, A., Avelea.
Anderson, C., Palling.
Anderson, G., Palling.
Anderson, M., Danskin.
Annala, J., Nadina River.
Antila, J., Nadina River.
Artress, H. E., Lejac.
Asenbauer, V., Prince George.
Asserude, E., Terrace.
Atrill, Wm., Moricetown.
Atrill, J. S., Moricetown.
Autila, A., Nadina River.
Axelson, A., Topley.
Bach, A. J., Rose Lake.
Bach, E., Rose Lake.
Bach, F., Rose Lake.
Bach, Wm., Rose Lake.
Bach, A., Rose Lake.
Bailey, M., Valimount.
Ball, Wm. S., Forestdale.
Ballantyne, R. M., Kamloops.
Ballestra, J., Lumly.
Baptiste, E. S., Isle Pierre.
Baron, J., Smithers.
Barr, H. M., McLure.
Barsness, M., Hulatt.
Bateman, J. E., Giscombe.
Bateson, J. W., Smithers.
Bauer, C. K., Grassy Plains.
Beach, E. A., Francois Lake.
Beach, C., Francois Lake
Beach, F., Francois Lake
Beals, F. A., Lumby.

Beauchamp, C., Fraser Lake.
Beckwith, R. C., Bickle.
Bedore, A., Terrace.
Bedore, L., Decker Lake.
Bellach, H. R., Endako.
Belsham, G. S., Fort Fraser.
Bendelin, E., Barriere.
Berg, J., Burns Lake.
Bergsten, J. L., Perow.
Berquist, A., Prince George.
Bertschi, A. F., Shelley.
Bertschi, A. C., Shelley.
Best, J., Chip Lake.
Bibbey, E. C., Fraser Lake.
Bickle, Wm., Bickle.
Billie, J., Stellaco.
Bird, J. R., Forestdale.
Bird, D., Rocky Mountain House.
Bjorkman, L., Topley.
Blackburn, R., Prince George.
Blackwell, E., Nadina.
Blanch, J., Burns Lake.
Boden, C., Prince George.
Bogardus, E., Valemount.
Bolton, J. H., Fort Fraser.
Bondarenko, E., Prince George.
Boner, C., Endako.
Boothroyd, G. E., Nichol.
Boquist, E., Isle Pierre.
Borgun, L., Hulatt.
Borris, M. R., Shames.
Bostrom, A., Danskin.
Bostrom, C., Bickle.
Bowman, G., Duck Meadews.
Bown, W. J., Finmore.
Boxally, Wm., Tchesinkut Lake.
Boyd, J. R., Isle Pierre.
Braatin, G., South Bank.
Brastin, L., Hulatt.
Bratsberg, B., Bickle.
Bratsberg, P., Bickle.
Brewer, M. J., Nadina River.
Brindamour, E., Fraser Lake.
Bristol, G., Telkwa.
Brittle, F. W., Prince George.
Brittle, C. H., Prince George.
Broadbent, T., Lejac.
Brolin, R., Decker Lake.
Brotherton, J., Tchesinkut Lake.
Brott, H., Danskin.
Brown, A. E., Decker Lake.
Bruce, A. A., Smithers.
Buchi, G., Prince George.
Buchi, W. A., Prince George.
Burke, Wm., Francois Lake.
Burr, R. S., Fort Fraser.
Byers, C., Isle Pierre.
Byman, T., Perow.
Byman, H., Rose Lake.
Byers, J. M., Isle Pierre.
Byman, J., Topley.
Cairnduff, H., Fort Fraser.
Calder, B. E., Heffley Creek.
Cameron, J., Terrace.
Campbell, G. H., Isle Pierre.
Campbell, S. J., Isle Pierre.
Campbell, A., Burns Lake.
Carlson, B., Barriere.
Carlson, M. A., Fraser Lake.
Carlson, C., Valemount.
Carlson, V., Decker Lake.
Carlson, J. P., Prince George.
Carman, H. A., Hulatt.
Carnall, H., Prince George.
Carr, R., Remo.
Carrigan, Wm., Terrace.
Carroll, R. M., Decker Lake.
Carroll, F. L., Decker Lake.
Castell, F., Evelyn.
Cederholm, A., Avola.
Charkey, H., Barriere.
Charvat, J. A., Fort Fraser.
Chennette, A. P., South Bank.
Chretien, J., Terrace.
Christian, C. E., Endako.
Christian, T. A., Fraser Lake.
Christenson, H., Fraser Lake.
Christian, L. H., Savory.
Clark, W. N., Forestdale.
Clark, F., Bickle.
Clarke, F., Fort Fraser.
Clifford, F. E., Isle Pierre.
Colbourne, J., Prince George.
Cole, J. E., Mapes.
Cole, J., Vanderhoof.
Cole, J. E., Mapes.
Collie, J., Fraser Lake.
Colton, J. U., Hulatt.
Connor, F., Burns Lake.
Coombes, J. M., Bickle.
Coombes, E. G., Lumby.
Coombes, F. M., Bickle.
Coop, S., Fort Fraser.
Cooper, J., Vanderhoof.
Corlett, R., Terrace.
Corliss, C. M., Francois Lake.
Corliss, E., Francois Lake.
Cornell, Wm., Prince George.
Cornwell, C., Topley.
Grammer, H., Rose Lake.
Crawford, J. H., Willow River.
Cron, C. H., Shelley.
Croteau, Wm., Telkwa.
Crowe, T. G., Fort Fraser.
Crowe, H. G., Fort Fraser.
Cummings, C., Red Rock.
Czyzowsky, J., Prince George.
Daggett, W., Encombe.
Dahlberg, A. O., Danskin.
Dahlgren, L. E., Fraser Lake.
Dahlgren, L. O., Fraser Lake.
Dally, J. E., Vanderhoof.
Dalstrom, C. L., Hulatt.
Damms, A., Prince George.
Damms, A. J., Jr., Prince George.
Dandeneau, O., Hulatt.
Davis, H., Houston.
DeBell, J., Bickle.
DeCoteau, A., Salmon Valley.
Demoury, Ed., Decker Lake.
Desseauve, P., Prince George.
Digner, P. C., Isle Pierre.
Dixon, E. W., Endako.
Dobbie, S. W., Copper River.
Dobson, J. E., McMurphy.
Dodds, J. B., Tete Jaune.
Doknich, N., Prince George.
Doll, R., Kitwanga.

Drew, A. D., Tchesinkut Lake.
Duffus, A., Telkwa.
Duncan, W., Telkwa.
Duncan, M. L., Burns Lake.
Dupuis, P., South Bank.
Dye, A., Mapes.
Eadie, G. E., Terrace.
Ecklund, H., Rose Lake.
Ecklund, N., Burns Lake.
Eden, N., Fort Fraser.
Edgar, A., Tete Jaune.
Edskund, A., Isle Pierre.
Eichler, K., Prince George.
Eichler, R., Prince George.
Elliott, J. W., Telkwa.
Engman, O., Evelyn.
Engstrom, E., Hulatt.
Erholtz, A., Nadina River.
Erickson, H., Mapes.
Erickson, J., Houston.
Erickson, H., Decker Lake.
Erickson, L., Fort Fraser.
Espelin, S., Decker Lake.
Espley, F., Rose Lake.
Espley, P. W., Rose Lake.
Estes, H. B., Isle Pierre.
Estes, A., Isle Pierre.
Estes, K. C., Isle Pierre.
Fager, F., Nadina River.
Fagerberg, E., Fort Fraser.
Fah, W., Smithers.
Falkiner, J., Fort Fraser.
Fawcett, W. H., Fort Fraser.
Featherley, Wm., Tchesinkut Lake.
Fehr, O., Prince George.
Ferguson, E., Palling.
Ferguson, W. D., Prince George.
Finlaison, R. K., Finmore.
Fitzgerald, F., Nichol.
Fjestad, E., Topley.
Flegg, O. H., Fort Fraser.
Fleissner, J., Barriere.
Fleming, J. W., Grassy Plains.
Foots, H. B., Fraser Lake.
Forsell, F., Roblin Range.
Foss, F. W., Smithers.
Frame, T. H., Isle Pierre.
Fransen, O., Forestdale.
Fraser, D., Louis Creek.
Fretz, A., Falkland.
Furness, J., Smithers.
Furrow, H. T., Prince George.
Gair, W., Forestdale.
Gair, W. T., Forestdale.
Gallagher, M., Nadina River.
Gamman, A., Decker Lake.
Gamper, A., Tchesinkut.
Garten, C. A., Vavenby.
Gebhardt, M., Bickle.
Genier, A., Mount Olie.
Geernaert, T., Vanderhoof.
George, M., Fort Fraser.
George F., Vanderhoof.
George J., Vanderhoof.
George S., Vanderhoof.
Gilbert, D., Hulatt.
Gilgan, J. D., Tchesinkut.
Gillis, N., Armstrong.
Goodchild, C., Matsqui.
Goodland, S., Vanderhoof.
Goodland, H. C., Vanderhoof.
Goold, J., Houston.
Gowans & Sons, Burns Lake.
Graham, T. J. W., Monte Lake.
Granberg, H., Hulatt.
Greene, D. T., Quick.
Gregerson, G., Evelyn.
Griffin, H. J., Fort Fraser.
Grimshire, Wm. G., Fort Fraser.
Groth, G., Prince George.
Grove, N. C. B., Mapes.
Grundy, E. W., Endako.
Gunning, G. G., Fraser Lake.
Guntsching, H., Barriere.
Guzauskas, V., Vanderhoof.
Haddock, A. E., Mapes.
Haftner, P., Smithers.
Hagen, O. S., Chinook Cove.
Hagberg, H. A., Finmore.
Hagerud, F. R., Sperling.
Haggard, F., Barriere.
Hahre, M. J., Smithers.
Haka, A., Coghlan.
Hammerberg, H., Danskin.
Hana, N. O., Monte Creek.
Hanson, F., Nadina River.
Hanson, Wm., Nadina River.
Hanson, G. M., Houston.
Hanson, H., Forestdale.
Harkness, W. G. Isle Pierre.
Harper, C., Isle Pierre.
Hartman, M. G., Fraser Lake.
Hartson, C. J., Isle Pierre.
Harvey, C. G., Smithers.
Hauer, N., Burns Lake.
Hawker, T. H., Fort Fraser.
Hawkins, A. E., Topley.
Hawthorn, W. W., Forestdale.
Haynes, F. W., Vanderhoof.
Heal, E., Telkwa.
Heal, H. W., Telkwa.
Heineman, P., Isle Pierre.
Helling, T., Bickle.
Helseth, E., Savory.
Hendricks, K. C., Engen.
Hendricks, H. H., Engen.
Hendricks, W. E., Engen.
Henkel, J. W., Francois Lake.
Hertel, P., Burns Lake.
Hickey, E., Francois Lake.
Hickey, J., Francois Lake.
Hicks, L. D., Shere.
Hicks, G. E., Valemount.
Hietala, O., Colleymount.
Hietala, M., Colleymount.
Hill, C., South Bank.
Hines, J., Doughty.
Hoft, C. B., Prince George.
Hollands, J., Nadina River.
Holmes, W. E., Topley.
Holmes, I. E., Topley.
Holmes, W. E., Topley.
Holmes, L. E., Topley.
Holmes, R., Prince George.
Holmgren, C., Palling.
Holst, H., Prince George.
Holverson, O., Dunster.

Hooker, Wm., South Bank
Hopyrerdietzel, M., Burns Lake.
Hornby, B., Prince George.
Horning, R. C., Topley.
Horning, J., Topley.
Horning, E. R., Topley.
Horning, A. R., Topley.
Hossach, H., Rose Lake.
Houlden, H., Terrace.
Hrechka, Wm., Prince George.
Humphrey, P. T., Nadina River.
Husu, A., Nadina River.
Hyelorth, H., Prince George.
Hutter, M., Palling.
Innes, W., Colleymount.
Irons, D., Bickle
Irving, D., Vanderhoof
Irwin, B. W., Fort Fraser.
Isaac, P., Forestdale.
Jackson, W. M., Fraser Lake.
Jacobson, A., Shames.
Jakel, J., Mount Olie.
Jamieson, L. C., McBride.
Jannack, R. J., Topley.
Jannack, J., Forestdale.
Jannack, C. H., Topley
Janning, H., Chinook Cove.
Jarman, H. B., Topley
Jeck, A., McBride.
Jennings, D. B., Giscombe.
Johansson, A., Topley.
Johnson, Ed., Evelyn.
Johnson, A., South Bank.
Johnson, H., Decker Lake.
Johnson, J., Evelyn.
Johnson, A., Burns Lake.
Johnson, A., Evelyn.
Johnson, Wm., Burns Lake.
Johnson, F., Fraser Lake.
Johnson, P. A., Chinook Cove.
Johnson, N. B., Vanderhoof.
Johnson, P., Barriere.
Johnson, O. M., Vanderhoof.
Johnson, K. E., Barriere.
Johnson, B. H., Vavenby.
Johnson, E., Rose Lake.
Johnson, C. J., Chilco.
Johnson, E., Bickle.
Johnson, H., Colleymount.
Jones, L. W., Westwold.
Jones, L. D., Terrace.
Jopp, E., Remo.
Julseth, T., Priestly.
Julseth, T., Sheraton.
Kain, A., Palling.
Kain, D. M., Palling.
Kaiser, E., Engen.
Keldested, N. M., Isle Pierre.
Kaler, E. P., Tchesinkut Lake.
Kallhood, O., Forestdale.
Kanga, V., Colleymount.
Keddy, J. C., Forestdale.
Keddy, B. B., Sheraton.
Keefe, J. H., South Bank.
Kelly, T., Tchesinkut Lake.
Kelly, N., Tchesinkut Lake.
Kelly, H. F., Louis Creek.
Kemp, J., Fort Fraser.
Kemple, G., Nadina River.
Kent, F. C., Bradle Ranch.
Kerr, J. E., Burns Lake.
Kerr, A. N., Quick.
Kerr, Wm. B., Nadina River.
Kershaw, W. T., Bestwick.
Kettleson, G. O., McMurphy.
Kettyle, C. J., Endako.
Keus, F. H., Rose Lake.
Kirkstone, A., Hulatt.
Kiven, F., Grassy Plains.
Kivi, A., Colleymount.
Knol, H., Burns Lake.
Kristensen, H., Isle Pierre.
Kulsveen, P., Prince George.
Kylling, L., Topley.
LaBriche, L., Smithers.
Ladouceur, F., Savory.
Lahte, S., Houston.
Lampman, C. W., Armstrong.
Long, I. C., Monte Lake.
Langis, C., Valemount.
Larson, H., Palling.
Larson, L., Decker Lake.
Larson, J. P., Mount Olie.
Lawrence, R., Avela.
LeBlanc, C. J., Lumby.
LeDuke, C. J., Endako.
Lechner, F., Chinook.
Leslie, W. J., Fraser Lake.
Levi, S., Valemount.
Lewis, F., Decker Lake.
Lewis, P. R., Palling.
Lillja, J. A., Decker Lake.
Lindgren, K., Vanderhoof.
Lindstrom, C., Remo.
Lindstrom, G., Houston.
Lips, J., Terrace.
Lister, M. L., Burns Lake.
Llewellyn, J. W., Terrace.
Lober, C., Colleymount.
Lockyer, F. J., Prince George.
Lockyer, W. A., Prince George.
Long, H. A., Palling.
Long, J. A., Palling.
Lonquist, H., North Bulkley.
Loper, H. D., Finmore.
Loss, H. F., Topley.
Lougheed, A. E., Burns Lake.
Lougheed, L., Danskin.
Lougheed, J. J., South Bank.
Louie, G., Nadina River.
Loveless, G. E., Smithers.
Loveseth, E., Danskin.
Ludefald, E., Prince George.
Lund, O., North Bulkley.
Lund, Ed., Rose Lake.
Lundstrom, O., Smithers.
Lura, R., Grassy Plains.
Makins, F. W., Lejac.
Martin, E., Moricetown.
Martin, J., Lumby.
Mathew, S., Nadina River.
Mattson, M., Colleymount.
Mattson, E. M., Nadina River.
Maune, E., Nadina River.
Mawhinney, D. C., Cooper River.
Mellander, H., South Bank.
Menard, A., Fraser Lake.

Merrill, E. Wm., Decker Lake.
Meyers, J., Endako.
Meyers, A., Colleymount.
Michael, A., Burns Lake.
Michaud, J. A., Terrace.
Michaud, A., Terrace.
Michell, A., Moricetown.
Michell, B., Moricetown.
Michell, T., Moricetown.
Michell, J., Moricetown.
Micks, G., Fort Fraser.
Miller, G. M., Rose Lake.
Miller, O. H., Palling.
Mills, G. E., Sheraton.
Minger, R. G., Sheraton.
Mitchell, J. C., Prince George.
Mitchell, P., Moricetown.
Mitchell, A., Nadina River.
Mitchell, Mrs. M. H., Forestdale.
Moe, A., Decker Lake.
Moe, T., Decker Lake.
Mohr, E. J., Wistaria.
Monroe, W. B., Prince George.
Moore, J., Salmon Arm.
Moore, L. B., Burns Lake.
Moore, L. U., Burns Lake.
Moore, M. A., Tchesinkut Lake.
Morrison, J., Nadina.
Mortensen, C., Robbins Range.
Morton, H., Sardis.
Mostue, M., Decker Lake.
Mould, A., Rose Lake.
Mould, R. H., Rose Lake.
Mould, J., Rose Lake.
Moynihan, J., Nadina River.
Mulder, C., Giscombe.
Muldoon, P., Nadina River.
Munroe, A. R., Fort Fraser.
Murphy, P. J., Terrace.
Murray, L. G., Doughty.
Murray, A. L., Doughty.
Myhre, T., Endako.
MacDonald, R. R., Houston.
MacKay, A. M., Forestdale.
MacKenzie, W. E., Clearwater.
MacLean, J. A., Francois Lake.
McArthur, D. C., Willow River.
McCabe, P. C., Isle Pierre.
McCabe, G., Isle Pierre.
McCabe, E., Isle Pierre.
McCleary, S. C., Rose Lake.
McClelland, H. E., Chilco.
McDonald, D., Burns Lake.
McFarlane, S. E., Coglan.
McGillivray, D., Hulatt.
McGregor, S. D., Danskin.
McGuire, C., Evelyn.
McInnes, N., Bulkley.
McIntosh, W. J., Prince George.
McKeown, W. C., Chilco.
McKilligan, R. H., Houston.
McKilligan, C. G., Houston.
McKirdy, T. A., Valemount.
McLeod, A. G., Smithers.
McMaster, W. A., Evelyn.
McMillan, N., Telkwa.
McMillan, D. D., Telkwa.
McPhail, H., Burns Lake.
McPhail, A. Burns Lake.
McPhee, P., Burns Lake.
Nazel, G., Moricetown.
Neale, J. C., Quirk.
Negaard, O., Engen.
Nelson, J., Prince George.
Nelson, J., Terrace.
Nelson, J., Decker Lake.
Nelson, J. R., Wistaria.
Nelson, E., Nadina.
Nelson, B., Smithers.
Nelson, C. A., Chinook Cove.
Nelson, A., Barriere.
Nelson, J. H., Nadina River.
Nelson, L., Forestdale.
Nettla, H., Nadina River.
Neurauter, F. A., Sheraton.
Newcombe, C. K., Prince George.
Newcombe, G., Prince George.
Newgard, L. M., Nadina River.
Newman, Ed., Burns Lake.
Neilson, J. C., Prince George.
Neilson, S. C., Prince George.
Niven, J. E., Dunster.
Noble, E. H., Fort Fraser.
Noble, A. L., Fort Fraser.
Nolan, E. A., Fraser Lake.
Norberg, A., Houston.
Nordin, F., Decker Lake.
Normanton, C., Prince George.
Nourse, M. F., Burns Lake.
Oberhaltzer, J. D., Telkwa.
O'Brien, R., Louis Creek.
O'Brien, Ed., Bickle.
Oknianski, A., Bickle.
Oknianski, M., Bickle.
Olsen, A., Mount Olie.
Olson, K., Tchesinkut Lake.
O'Meara, H. F., Vanderhoof.
O'Neill, J. S., Armstrong.
Ord, P. A., Falkland.
Orr, A., Palling.
Orr, J., Palling.
Osberne, E., Colleymount.
Ostberg, C., Burns Lake.
Pappas, T., Hulatt.
Park, F., Vanderhoof.
Parker, H. G., Colleymount.
Parkhurst, C. C., South Bank.
Parkhurst, W. W., Jr., South Bank.
Parrott, H., Francois Lake.
Patrick, T. S., Lumby.
Paulson, G., Rose Lake.
Paulson, O., Decker Lake.
Payne, W. C., Barriere.
Payne, E. F., Rose Lake.
Peacock, A., Fort Fraser.
Pearson, P., Burns Lake.
Pearson, C., Terrace.
Pearson, B. L., Vanderhoof.
Pebernat, F. E., Mapes.
Pebernat, T. J., Mapes.
Pelletier, T., Prince George.
Pelon, J., Mount Leyman.
Perle, E., Colleymount.
Pete, A., Forestdale.
Peterson, C. W., Dome Creek.
Peterson, O., McMurphy.
Peterson, A., Evelyn.
Phillips, A., Clearwater.

Piche, H., Decker Lake
Ponsford, H. W., Fraser Lake.
Poole, A. H., Mapes.
Poole, A. E., Mapes.
Poole, H. E., Mapes.
Poole, E. G., Mapes.
Poole, C., Mapes.
Pratt, F., Fort Fraser.
Preston, L. J., Vanderhoof.
Price, H., Chinook Cove.
Price, J., Fraser Lake.
Priest, L. J., Nadina.
Prosser, R. D., Francois Lake.
Prudhom, T., Monte Lake.
Quigley, W. D., Rutland.
Radley, T., Colleymount.
Rainer, K., Barriere.
Rainer, H., Barriere.
Rainsfelt, A., North Bulkley.
Rainsfelt, H., North Bulkley.
Rainsfelt, W., North Bulkley.
Rasmussen, A. R., Prince George.
Ray, L., Endako.
Rodman, F. E., Isle Pierre.
Reed, R., Smithers.
Reynold, G., Chilco.
Reynolds, G. A., Houston.
Rhindress, J., Mapes.
Rhindress, W. H., Mapes.
Rice, R. H., Fort Fraser.
Roark, A. V., Finmore.
Robert, B., Colleymount.
Roberts, J. E., Haffley Creek.
Roberts, J., Francois Lake.
Roberts, M., Colleymount.
Roberts, L., Colleymount.
Roberts, W., Lejac.
Robertson, A. D., Box 216, Prince George.
Robertson, C. G., Fort Fraser.
Roemer, H. F., Nadina.
Roos, A., Nadina River.
Ross, C., Rose Lake.
Ross, J. S., Savory.
Rothery, J. V., Mount Olie.
Rouse, E., Red Rock.
Rowland, T., Rose Lake.
Ryser, J., Fort George.
Sabbie, H., Prince George.
Sackner, J. W., Hulatt.
Salice, P., Houston.
Sall, O., Fort Fraser.
Salle, E., Chinook Cove.
Sammons, F., Endako.
Sannes, G., Hulatt.
Saranovich, F., Sheraton.
Sarri, F., Colleymount.
Saul, R., Decker Lake.
Saul, L. G., Decker Lake.
Saunders, W. C. Palling.
Schmidt, E. W. Jr., Barriere.
Schilling, F., Chinook Cove.
Schilling, W., Chinook Cove.
Schmidt, E. Jr., Chinook Cove.
Schneider, J., Endako.
Scott, C. E., Engen.
Scott, W., Isle Pierre.
Scott, G., Isle Pierre.
Scott, E. J., Isle Pierre.
Severson, E., Forestdale.
Seymour, E., Nadina River.
Seymour, R. A., Fort Fraser.
Seymour, H. C., Fort Fraser.
Seymour, F. J., Fort Fraser.
Sharp, G., Smithers.
Sheeler, E. W., South Bank.
Sherlaw, A., Ryder Lake.
Short, F. S., Colleymount.
Shortbreed, J. W., Vanderhoof.
Sibley, H., Bickle.
Sich, C. D., Smithers.
Silk, A. H., Box 33, Burns Lake.
Silverthorn, H., Houston.
Silverthorne, H. H., Houston.
Simonson, Ed., Hulatt.
Sinclair, H. D., Kitwanga.
Sios, M. L., Fort Fraser.
Sjoblad, J., Burns Lake.
Siodin, A., South Bank.
Skipnes, M., Rose Lake.
Skuba, P., Smithers.
Skjerven, O., Fort Fraser.
Smith, W. J., Louis Creek.
Smith, C., Burns Lake.
Smith, C., Endako.
Smith, G. W., Houston.
Smith, J. R., Topley.
Smoaslet, P., Prince George.
Snell, G., Vanderhoof.
Sobberg, C., South Bank.
Solbreken, O., Terrace.
Sonneveldt, A., Engen.
Spillman, R., Burns Lake.
Stain, H., Nading River.
Stampflee, H. A., Mapes.
Stanton, T. H., Francois Lake.
Stanton, G. B., Francois Lake.
Stanyer, R. C., Francois Lake.
Stanyer, E. J., Francois Lake.
Stanyer, J., Francois Lake.
Starrett & Ferguson, Rose Lake.
Starring, J. E., Rose Lake.
Stearns, H. E. Box 29, Burns Lake.
Stearns, F. M., Burns Lake.
Steele, T. G., Vanderhoof.
Steiner, F., Lejac.
Steiner, J., Lejac.
Stephenson, A. J., Bickle.
Stinson, A. M., Prince George.
Stock, A., Monte Creek.
Striegler, R. H., Mapes.
Strimbolt, E. J., Topley.
Strom, H., Hulatt.
Stryker, E. A., Nadina River.
Stubbs, M. H., Danskin.
Sturgeon, A. G., Forestdale.
Sturgeon, D., Rose Lake.
Sturgeon, N. D., Rose Lake.
Stutz, H., Chinook Cove.
Sundin, H., South Bank.
Surkan, N., Armstrong.
Sutton, G. L., Isle Pierre.
Svendsen, H. E., Ashcroft.
Spear, J. R., Winnipeg.
Swanson, G., Bickle.

Swanson, O., Bickle.
Swanson, T., Bickle.
Swanson, J., North Buckley.
Swisher, G. D., Telkwa.
Taylor, S. J., Fraser Lake.
Taylor, V. A., Burns Lake.
Temti, C., Topley.
Thomas, C. H., Terrace.
Thomson, D. S., Box 23, Fort Fraser.
Thomson, W. H., Palling.
Thomasson, J., Terrace.
Thorsen, A., Savory.
Thorsness, C., Prince George.
Tibbetts, R. L., Birch Island.
Tittemore, S. V., Fort Fraser.
Tolhurst, F. J., Nadina.
Tom, J., Moricetown.
Tom, W., Forestdale.
Tomkins, F. S., Telkwa.
Trail, A. N., Telkwa.
Tucker, J., Louis Creek.
Turner, T. A., Box 119, Prince George.
Turner, J. W., Smithers.
Turner, W. B., Prince George.
Turnquist, A., South Bank.
Tyler, R. A., Nadina River.
Tyler, M. D., Nadina River.
Uppenborn, J., Barriere.
Van Horn, W. B., Telkwa.
Van Lear, J., Nadina River.
Van Tine, L., Nadina River.
Van Tine, E., Nadina River.
Viney, E., Endako.
Vinnedge, N. S., Fort Fraser.
Vinnedge, O. E., Fort Fraser.
Vinnedge, G. E., Fort Fraser.
Vinnedge, G. G., Fort Fraser.
Vinnedge, E. D., Box 45, Fort Fraser.
Voelkl, F., Prince George.
Volkmann, H., Nadina River.
Wade, H. C., Smithers.
Walther, D., Decker Lake.
Walton, T. J., Fort Fraser.
Wardrop, D. P., Lochdale.
Warin, G., Fort Fraser.
Warn, C., Decker Lake.
Warne, J., Terrace.
Watkins, C. E., Savory.
Watson, J. V., Topley.
Watson, C. H., Houston.
Watson, P., Houston.
Watson, D., Burns Lake.
Watt, Wm., Bickle.
Weatherspoon, A. J., Burns Lake.
Weeks, J. M., Grassy Plains.
Weiland, L. E., Armstrong.
Weissbrod, J., Fort Fraser.
Weldon, W. H., South Bank.
Wells, G., Vanderhoof.
West, L. H., Savory.
Westgarde, M. L., Topley.
Westland, C., Monte Lake.
White, J., South Bank.
Wiggins, J. A., Forestdale.
Williams, T., Palling.
Willington, L. A., Fort Fraser.
Willington, J. J., Fort Fraser.
Willington, D., Fort Fraser.
Wilson, W. S., Mapes.
Wilson, P., Quick.
Wilson, A. H., Terrace.
Wold, C., Topley.
Wolverton, Wm., Chu Chua.
Yocum, H., Barriere.
Young, J. J., Louis Creek.
Zanton, J. Van, Francois Lake.
Zielke, J. A., Sheraton.
Zielke, T., Sheraton.
Zielke, G., Sheraton.
Zoggff, H., Smithers.
Zobenie, A., Smithers.

STATEMENT IN ALPHABETICAL ORDER SHOWING NAMES AND POST OFFICE ADDRESSES OF ALL FIRMS AND INDIVIDUALS WITH WHOM CONTRACTS WERE PLACED FOR TIES FOR DELIVERY IN YEAR 1931.

GRAND TRUNK WESTERN

Anderson, E. S., Muskegon, Mich.
Ayer & Lord Tie Company, Chicago, Ill.
Baker Wood Preserving Co., Ohio (Washington Court House).
Holmes, G. H., Detroit, Mich.
Indiana Tie Company, Evansville, Indiana.
Joyce-Watkins Company, Chicago, Ill.
Michigan Wood Preserving Company, Reed City, Mich.
Moss Tie Company, St. Louis, Mo.
Webster Lumber Company, Manistique, Mich.
Weiler, C. A., Detroit, Mich.

HOUSE OF COMMONS, ROOM 231,

MAY 17, 1932.

The Select Standing Committee on Railways and Shipping met at 11 o'clock. Mr. Hanson presiding.

The CHAIRMAN: Sir Henry, in discussion with Mr. Smart some days ago with respect to expenditures by the railways, and especially the control of expenditures, he told me that special machinery had been set up, and following the conversation he wrote me a letter, dated May 14, 1932, which reads as follows:—

> You will recall my speaking to you some days ago about the special machinery that has been set up for the control of expenditures on the Canadian National Railways.
>
> I attach copy of P.C. 1398, dated June 17, 1931, putting into effect By-law No. 18 of the Canadian National Railways, together with a short memorandum which outlines the general information required by the Finance Committee and which is provided by the Secretary of the Finance Committee, who is Director of Statistics of the railway company, and maintains a constant contact with the progress of the A.F.E.'s For your information A.F.E. means "Authority for Expenditure."
>
> It might be well that your committee be informed of this machinery.

Now, the enclosure included, first of all, a copy of the By-law No. 18 which was enacted on the 2nd of June, 1931, establishing a Finance Committee. Section 1 of the By-law set up a committee consisting of the president of the company, the director holding the position of Deputy Minister of Railways and Canals, and the director holding the position of vice-president in charge of legal affairs of the company. Section 2 of the By-law gives the jurisdiction of the committee, namely:—

> The Finance Committee shall, notwithstanding anything in any By-law to the contrary, have supervision and control over all matters relative to the capital requirements of the company and in particular in respect of the provision of the moneys therefor and the allocation of such moneys.

Sections 2, 3, 4, 5, 6 and 7 relate only to procedure under that By-law; and section 8 requires the approval of the Governor in Council.

The order in council passed on 17th day of June, 1931, P.C. 1398, ratifies in express terms By-law 18. Now, the particular point which I wish to draw to your attention, Sir Henry, and which the Committee thought we should have some expression of opinion upon, resulting from the discussion which arose thereon is that this By-law only refers and only relates to capital requirements of the company, and in particular to the raising of the money and the allocation of the money. What we would like to know is: I understood from Mr. Smart, and I so informed the Committee that this Finance Committee had control not only of capital requirements of the company, the provision for raising the money and the allocating of the money, but it also had control over expenditures other than those of a capital nature within certain limitations; and the suggestion has been made here that inasmuch as the By-law does not cover anything but capital requirements, it should be amended so as to cover

large contracts other than, we will say, ordinary routine such as payroll. Before making any recommendation of that character, Mr. Chaplin thought—and I think perhaps other members of the Committee joined in that view—that we should hear from you and Mr. Grant and Mr. Hungerford your views as to the extension of the principle covered by Section 2 of this By-law to cover not only capital requirements but current requirements—all expenditures.

Sir HENRY THORNTON: I quite understand, and your recital of the situation is entirely correct. From a purely legal point of view, the functions of the Finance Committee relate exclusively to what has been described in the By-law and the order in council, namely, capital expenditures, the allocation thereof, and the raising of those moneys; but, as a matter of fact, that has been somewhat and automatically extended in that we have discussed at the meetings of the Finance Committee the expense situation currently because, necessarily, that had a repercussion—an unavoidable repercussion on the capital situation; that is, the money which is available, for instance, for meeting the interest on the funded debt in the hands of the public has got to be made up by appropriations from the Government; and by common consent—not any particular policy—but by common consent, and because it turned out to be a useful thing to do, there have been discussed at the meetings of the Finance Committee matters which are technically beyond the scope of the order in council and the By-laws. I think Mr. Smart will bear me out in that. Now, when you come to the question of contracts for supplies, large contracts covering such matters as rail, coal and oil and things of that sort which run into a great many hundreds of thousands of dollars, the board of directors recently discussed the whole question and they felt, and I fully agreed with them as chairman of the company, that they should be posted with respect to what these orders were, the price, maybe, and who got them, and all those things which would naturally fall within the activities of the board of directors.

The CHAIRMAN: How long since was that suggestion made?

Sir HENRY THORNTON: That came into being—was approved at the last meeting of the board, or the meeting before last.

Mr. DUFF: Was that before or after the contract was made?

Sir HENRY THORNTON: I am going to explain what happened. The first thought of the board was that all prospective contracts, exceeding $5,000, should be reported to the board, but when we came to examine that we found that it involved such a large number of contracts, so much work, that the board decided they would take the thing rather piecemeal and see how it worked out. Accordingly, a resolution was passed that the purchasing agent should report to the executive committee that contracts for a sum larger than $25,000—

Mr. DUFF: That is, proposed contracts?

Sir HENRY THORNTON: Proposed contracts. You can correct me, Col. Smart, if I am wrong because I am speaking from memory and I have not the resolutions before me, although I think I am not far from the truth—all prospective contracts, exceeding $25,000, should, if possible, be reported to the Executive Committee for their approval, but, if, in the interests of the company, as sometimes happens, it was necessary, in the interests of economy also, to close a contract for a larger sum than $25,000, that that was within the province of the president, and the vice-president in charge of purchases, but the facts should be reported at the next meeting which would be, at most, only a few days away, to the Executive Committee for their examination. So that the Executive Committee has set up machinery which, in their judgment, safeguards that situation, and we were going to try that for a month or so to see how it worked—to see whether or not it reduced delay or proved expensive, or whether it proved practicable. And that is what the Executive Committee and the board of directors are now working on.

As far as the general expense situation is concerned, as I have said before, although it is technically beyond the scope of that order in council, that has been more or less pretty generally discussed at the meetings of the Finance Committee. Now, have I made that clear?

The CHAIRMAN: I think so. One point I would like to have made clear is this: Until very recently, then, there has been no control of expenditures. I will put it this way: Up to the time of the passing of By-law No. 18 was anybody charged with the control of expenditures of any character?

Sir HENRY THORNTON: Excepting this, Mr. Chairman: In the first instance, you will recall that at the last meeting of this committee a year ago I outlined to you and explained a system of budget control which we brought into being with the approval of the board, and I may say that that has worked extraordinarily satisfactorily and has resulted in saving a good deal of money. Each month and each week—each month the financial performance of the railway has been reported to the board in detail, and the directors have examined it and have expressed from time to time opinions thereon. At the weekly meetings of the Executive Committee I have kept that Committee posted as to the trend of traffic and generally given them all the information which I got without burdening them with too much detail as to just what the expenditures were. I do not think it is quite accurate to say there has not been any control.

The CHAIRMAN: I mean by the board.

Sir HENRY THORNTON: Only in the sense that I have outlined to you. Is that not so, Col. Smart?

Mr. SMART: I just want to point out one thing, perhaps, that we have not taken into consideration, and that is that automatically the Finance Committee came into the picture on other expenditures for this reason that in the set-up of the Treasury Department to indicate the amount of money required one of the items that comes in is the total receipts—that is the receipts—and, therefore, it has an effect on the other amounts of money that are required.

The CHAIRMAN: To the extent that you have not got money available to make expenditures.

Mr. SMART: It comes into the picture.

Sir HENRY THORNTON: You cannot very well keep it out of the picture

Mr. SMART: It automatically comes into the picture; you have to consider it.

The CHAIRMAN: What the Committee wants to know is this: That under presently constituted authority as laid down by rule or regulation or by-law there is no specific body among the directors charged with control over contracts to be left for material and supplies with any limitation chargeable to current operation. Is that correct?

Hon. Mr. MANION: Correct me if I am wrong; but my understanding of it was that Mr. Vaughan, as purchasing vice-president, had the power practically to make any of these deals himself, and there was practically no check.

Sir HENRY THORNTON: That is substantially correct in this way, excepting in these things he always reported to me any large purchases, and I frequently approved of it, or discussed it with the executive committee. That is the general work.

Hon. Mr. MANION: My understanding was that Mr. Vaughan, the purchasing vice-president, had the power to let a contract without tenders, if he so desired. He made a price and let the contract without tenders. I can think of one that was made in that way. I am not criticizing Mr. Vaughan, although it has always appeared to me, since it came to my attention, that too much power was put in the hands of any one man. In reading the reports of the committee

the last two or three months or so, I took it that you were getting down to some sort of a committee to which Mr. Vaughan would have to report, if possible, before the contracts were let.

Sir HENRY THORNTON: Of course, the problems in a large enterprise such as the Canadian National Railways, which is scattered over a wide territory, are to provide safeguards which ought to be provided without resulting in expenses and delay, and sometimes losing favourable contracts. For instance, a coal operator may come into Mr. Vaughan's office and by closing with him immediately he could get a price on coal which perhaps, if he held off ten days, he would not get.

The CHAIRMAN: Any contract of that character could always be subject to ratification.

Sir HENRY THORNTON: I am only giving you an instance.

The CHAIRMAN: I think we understand pretty well just what the system has been in the past. The object in asking you gentlemen here is this: is there any objection to this Committee making a recommendation which would include not only capital expenditure under section 2, by-law 18, but current expenditure for substantial contracts.

Sir HENRY THORNTON: Well, I would personally not only favour that, I certainly would not object to it.

Hon. Mr. CHAPLIN: How often does the payroll come?

Sir HENRY THORNTON: Twice a month.

The CHAIRMAN: In certain cases once a week, is it not?

Mr. GRANT: No, I do not think we have a weekly payroll.

Hon. Mr. MANION: Might it not be too much work to put on one committee? Should it not be possible for another committee of the directorate to handle it?

The CHAIRMAN: That is a question of procedure; the principle is what we want.

Sir HENRY THORNTON: The finance committee probably has more time at its disposal; it is more readily available and could deal with the matter with more facility than another committee. If you appointed another committee then they would all have to be—

The CHAIRMAN: Sir Henry has expressed agreement with the principle. What do you say about it, Mr. Hungerford? Would it militate against the efficient operation of the railways?

Mr. HUNGERFORD: You are speaking now, Mr. Chairman, with respect to the purchasing contract?

The CHAIRMAN: Yes.

Mr. HUNGERFORD: No, I do not think there will be any objection to it, excepting there should be a reasonable minimum limit.

The CHAIRMAN: I agree with you, of course.

Mr. HUNGERFORD: That was the basis of the discussion before the board a short time ago, at which Mr. Vaughan was present, and explained in great detail the methods, and some of the difficulties of the situation. Twenty-five thousand dollars would be the minimum, and it was understood and agreed that a test of that would be made to see how it worked.

Sir HENRY THORNTON: We started, Mr. Chairman, originally with $5,000, but that involved such an enormous number of contracts, and such a tremendous detail, that the directors decided themselves that they would start off with $25,000 to see how it worked.

The CHAIRMAN: It seemed a reasonable minimum.

Sir HENRY THORNTON: Incidentally, if it was found that we could go lower than that, we would come down as low as we could without interfering with efficiency and economy.

The CHAIRMAN: The thought behind this, Mr. Hungerford, is, if the principle is good for capital expenditure, it ought to be good for current expenses. That is the thought behind it, without, however, in any way desiring to hamper the operations of the railway. I am sure that is in the mind of everyone of us.

Mr. SMART: I think you are quite right. The principle thought was to try to get some workable basis on which to try it out, and not leave the whole thing altogether to chance.

The CHAIRMAN: I know you have to experiment.

Sir HENRY THORNTON: It is pretty hard in an enterprise of such magnitude to hit upon a scheme of this sort which you are absolutely certain, before you try it, is going to work; and this plan that is now in operation was an experiment to see how it would work, and if it worked successfully, then to reduce the amount of contracts reportable to the lowest practicable minimum.

The CHAIRMAN: Now then, Mr. Grant, you are the vice-president in charge of finance, and we think we ought to have your views in this matter.

Mr. GRANT: Well, the principle is quite sound, so far as the finance end is concerned.

The CHAIRMAN: There is no objection to it from your department?

Mr. GRANT: No objection from the financial point of view at all.

Mr. HEAPS: Who is the finance committee, by the way, Mr. Chairman?

Mr. CHAIRMAN: According to section one of the bylaws, the finance committee consists of three members of the board, namely the president of the company, who shall be the chairman of the committee, the director holding the position of Deputy Minister of Railways and Canals, and the director holding the position of vice-president in charge of legal affairs of the company; that is to say, the president, the Deputy Minister of Railways, and the general counsel of the company.

Mr. SMART: May I point out, Mr. Hanson, that the committee have to be unanimous; it is not passed on a vote.

The CHAIRMAN: I did not read that section. There must be an agreement. That, of course, is a further safeguard.

Hon. Mr. CHAPLIN: Two out of three will not carry an expenditure. It must be unanimous.

Sir HENRY THORNTON: That is right.

The CHAIRMAN: That is a further safeguard.

Sir HENRY THORNTON: My recollection is—the Minister may correct me if I am wrong—that was thought desirable at the time.

Hon. Mr. MANION: Yes. It was all discussed with myself and through Sir Henry Thornton, the Deputy and myself various times. In fact, it was discussed, I should think, two or three months before it was passed. We were favourable to it before they got it down to what they thought was a favourable basis, and we passed an order in council putting it into effect.

Mr. POWER: Following up the question of the Minister, or the suggestion of the Minister about too much work on this committee. and setting up another committee to do the work, in how many instances were purchases of $25,000 made by the committee?

Sir HENRY THORNTON: I cannot answer that except in this way, that I do not think the number of cases to be dealt with would be of such a character that they could not be dealt with by the present finance committee. I think it is a

mistake to multiply committees in any enterprise that could be avoided, and this finance committee, as I say, consists of individuals who are available almost every day, at any time. I myself and others, have nothing to do but to attend the work of the railways, and in the case of the Deputy Minister, the work of the department is practically speaking, the work of the railway.

Mr. HEAPS: Supposing there was a case of an emergency contract and one of the members of the finance committee was away. What then?

Mr. SMART: There is a provision in there to take care of that, Mr. Hanson.

Hon. Mr. CHAPLIN: That is in there.

The CHAIRMAN: Sub-clause 2 provides, that the resolutions of the committee to be effective, must be unanimous. Now, that takes care of the point raised by Mr. Chaplin. Subsection 6—

Hon. Mr. CHAPLIN: There is another section that covers the question asked.

The CHAIRMAN: Subsection 6 says:—

> The Minutes of each meeting of the Finance Committee shall be read at and to its next following meeting, and each resolution of the Finance Committee shall, together with the full Minutes (including matters upon which the members of the Finance Committee do not agree) of the meeting at which passed be submitted to the directors or to the Executive Committee thereof, at the next meeting of the directors of the said Executive Council, whichever first held, and each such resolution of the Finance Committee so submitted to the directors of the said executive council, with the exception of the resolution of the Finance Committee which requires immediate carrying out, and is expressed in the resolution to be urgent, shall be subject to the approval or otherwise of the directors or of the said Executive Committee (acting within the scope of its authority as such committee) to which so submitted and shall not be effective unless and until so approved.

Hon. Mr. CHAPLIN: There is a clause there dealing with the case of a man being sick or away.

The CHAIRMAN: Another can be called in.

Mr. SMART:

> In the event of any member of the Committee being unable to attend any meeting thereof he shall before the date of such meeting notify the Chairman of the said Committee of his inability to attend and at such time may nominate, advising the Chairman of his so doing, a member of the Executive Committee to act in his place on the Finance Committee at such meeting, and failing such nomination the other two members of the Committee may make such nomination for such member, and in the absence of the Chairman of the Committee at any meeting thereof the members of the Committee may nominate a chairman to act at such meeting.

Sir HENRY THORNTON: No such case has arisen.

The CHAIRMAN: But provision is made.

Sir HENRY THORNTON: Provision has been arranged, but I do not think there has been any case in which the appointed member of the Finance Committee has not been present at all meetings that I can recall. Can you recall any?

Mr. SMART: Yes. Last summer somebody was away. Mr. Anderson was nominated.

Sir HENRY THORNTON: Any way, the cases are very infrequent.

Mr. HUNGERFORD: There is just the matter of explaining details to which I should like to refer. There are a certain number of contracts that are let by the purchasing department that may be considered open contracts; quantities are not given at the time the contract was made but the prices and all of the other conditions are fixed. The purchasing agent is authorized to order from time to time, under the terms of the contract, such quantities as they may require. That complicates the situation just a little bit, because at the time the contract is made, the exact amount of the contract cannot be determined. But still I think those contracts would probably run over the $25,000 in any event, and might still be included in the provision.

The CHAIRMAN: We can only make the recommendation on the principle, any way. The working out of the details will have to be left to the board. Thank you, gentlemen, I think that is all, unless some of the members have questions to ask.

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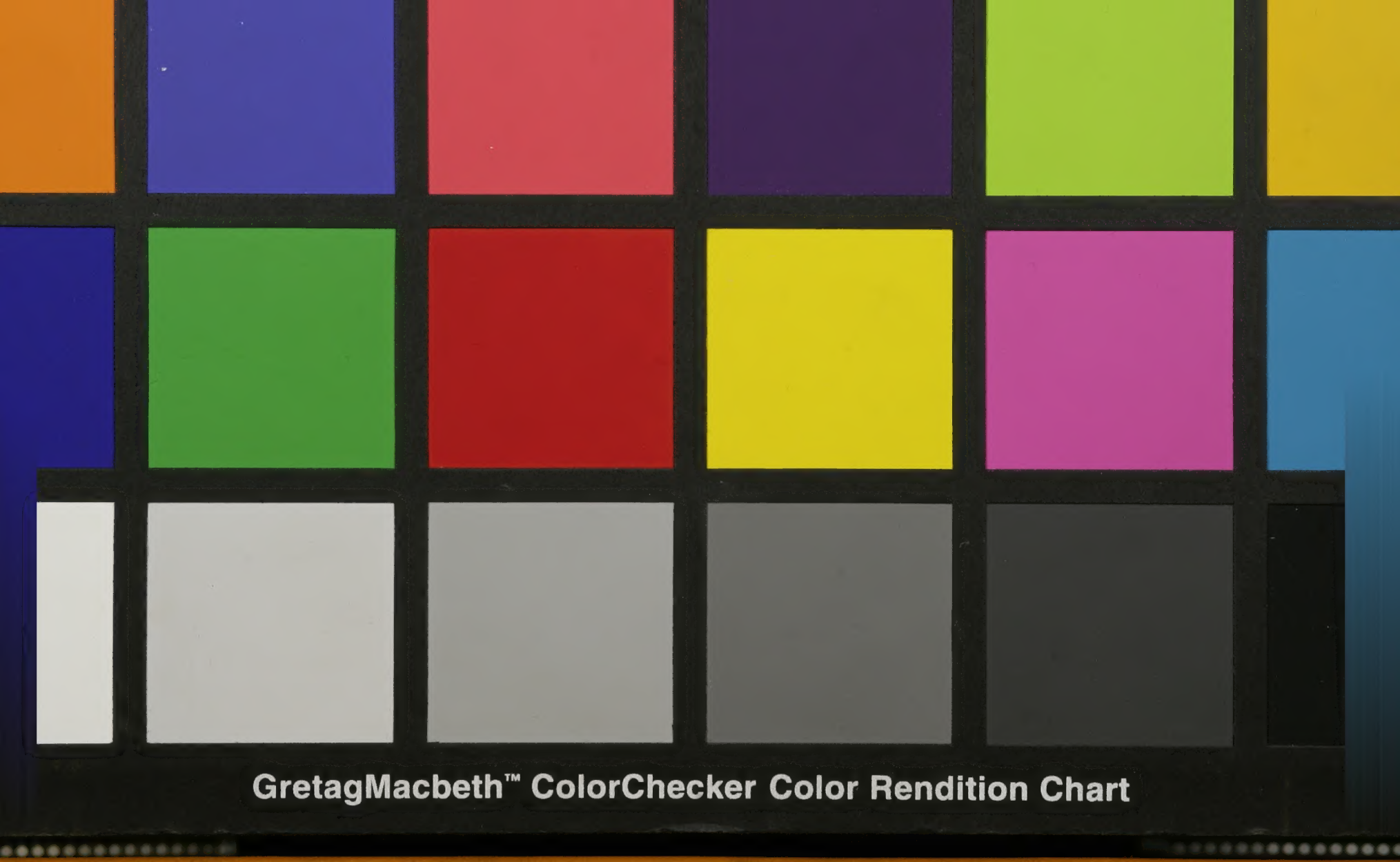
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